

BEFORE THE  
FEDERAL ELECTION COMMISSION

Democracy 21  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
202-429-2008

**SENSITIVE**

MUR No. 6094

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
2009 OCT 10 A 11:42

v.

American Issues Project, Inc.  
301 W. Platt Street #353  
Tampa, Florida 33606

American Leadership Project  
2261 Market Street PMB 319  
San Francisco, California 94114

**COMPLAINT**

1. In March, 2002, Congress enacted the Bipartisan Campaign Reform Act of 2002 (BCRA) to prevent the raising and spending of soft money by federal candidates and political party committees to influence federal elections. The soft money provisions in Title I of BCRA were upheld by the Supreme Court in *McConnell v. FEC*, 540 U.S. 93 (2003).
2. After the enactment of BCRA, a number of political and party operatives, and others, engaged in illegal schemes in the 2004 and 2006 federal elections to use soft money to influence those elections. These illegal schemes were conducted primarily through the use of so-called "section 527 groups" — entities registered as "political organizations" under section 527 of the Internal Revenue Code (IRC), 26 U.S.C. § 527.
3. Democracy 21 and other reform organizations filed multiple complaints with the Commission in 2004 and 2006, seeking enforcement of the law against these illegal schemes. In

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response to these complaints, the Commission instituted a number of enforcement actions and found that four large 527 groups active in the 2004 campaign engaged in massive violations of the campaign finance law by failing to register as political committees and failing to abide by the contribution limits, source prohibitions and reporting requirements that apply to political committees. The violations by these four 527 groups in the 2004 election, cumulatively, resulted in FEC findings of more than \$200 million in illegal soft money expenditures to influence the 2004 presidential election.

4. The American Issues Project, Inc. (AIP) and the American Leadership Project (ALP) have been engaged in activities to influence the 2008 presidential election that are similar to the activities found illegal by the Commission following the 2004 campaign. AIP is a corporation organized under section 501(c)(4) of the Internal Revenue Code. ALP is organized under section 527 of the IRC.

5. Neither AIP nor ALP is registered with the Commission as a political committee. However, on information and belief, each group has made "expenditures" or received "contributions" in excess \$1,000 and has a "major purpose" to influence federal elections. As such, they are federal political committees. AIP and ALP are therefore required to register with the Commission under the federal campaign finance laws, 2 U.S.C. §432, and are subject to the federal contribution limits, source prohibitions and reporting requirements on the funds they receive. As political committees, each of these groups may not receive more than \$5,000 per year from an individual donor, and may not receive any union or corporate treasury funds whatsoever. 2 U.S.C. § 441a(a)(1)(C), 441b(a). These limits and prohibitions apply to all "political committees," including those that engage in independent spending. 11 C.F.R. §

110.1(n). Furthermore, as political committees, each of these groups is required to file periodic reports with the Commission, disclosing all receipts and disbursements. 2 U.S.C. § 434.

6. It is essential for the Commission to continue the enforcement actions it began after the 2004 elections against outside groups making illegal soft money expenditures. The Commission must do so in order to ensure that violators are held accountable and understand that there are consequences for breaking the law. The Commission should take appropriate actions to ensure that all groups which qualify as federal political committees register and operate pursuant to the laws that apply to such political committees.

**Standard for "political committee" status**

7. Section 431(4) of Title 2 defines the term "political committee" to mean "any committee, club, association or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4); *see also* 11 C.F.R. § 100.5(a). An "expenditure" is defined as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office...." 2 U.S.C. § 431(9)(A). Similarly, a "contribution," is defined as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." 2 U.S.C. § 431(8)(A). In addition, FEC regulations define a "contribution" to include funds received "in response to any communication ... if the communication indicates that any portion of the funds received will be used to support or oppose the election of a clearly identified Federal candidate." 11 C.F.R. § 100.57(a).

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8. Any entity which meets the definition of a "political committee" must file a "statement of organization" with the Federal Election Commission, 2 U.S.C. § 433, and periodic disclosure reports of its receipts and disbursements. 2 U.S.C. § 434. In addition, a "political committee" is subject to contribution limits, 2 U.S.C. §§ 441a(a)(1), 441a(a)(2), and source prohibitions, 2 U.S.C. § 441b(a), on the contributions it may receive and make. 2 U.S.C. § 441a(f). These rules apply even if the political committee is engaged only in independent spending. 11 C.F.R. § 110.1(n).

9. In *Buckley v. Valeo*, 424 U.S. 1 (1976), the Supreme Court construed the term "political committee" to "only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate." 424 U.S. at 79 (emphasis added). Again, in *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238 (1986), the Court invoked the "major purpose" test and noted that if an incorporated non-profit group's independent spending activities "become so extensive that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee." 479 U.S. at 262 (emphasis added). In that instance, the Court continued, it would become subject to the "obligations and restrictions applicable to those groups whose primary objective is to influence political campaigns." *Id.* (emphasis added). The Court in *McCormell* restated the "major purpose" test for political committee status as iterated in *Buckley*. 540 U.S. at 170 n.64.

10. For the reasons set forth above, there is a two prong test for "political committee" status under the federal campaign finance laws: (1) whether an entity or other group of persons has the "major purpose" of influencing the "nomination or election of a candidate," as stated by *Buckley*, and if so, (2) whether the entity or other group of persons receives "contributions" or makes "expenditures" of at least \$1,000 or more in a calendar year.

**The American Issues Project, Inc.**

11. According to press reports, American Issues Project, Inc., was originally incorporated in May, 2007 in the State of Delaware under the name "Citizens for the Republic, Inc." See Certificate of Incorporation (Exh. A); W. Evans and P. Overby, "Obama Goes After Conservative Group" (National Public Radio) (Aug. 27, 2008) (Exh. B). Its incorporation papers state that it was organized for "the promotion of social welfare" under section 501(c)(4) of the IRC. In a Certificate of Amendment signed on March 19, 2008, and filed with the State of Delaware on April 2, 2008, "Citizens for the Republic, Inc." changed its name to "Avenger, Inc." (Exh. C). In a Certificate of Amendment signed on August 4, 2008, and filed with the State of Delaware on August 6, 2008, "Avenger, Inc." changed its name to "American Issues Project, Inc." (Exh. D).

12. According to its filings with the State of Delaware, the directors for Citizens for the Republic, Inc (CFTRC), were Paul Erickson, Stephen Moore and Richard Sharp. A press report discusses the name change for the corporation and states:

Erickson says Avenger, Inc. was just a placeholder name, and that CFTR has nothing to do with American Issues Project. He said AIP has completely separate leadership and simply used the corporate "shell" of Citizens for the Republic after it disbanded. As to why AIP would take the corporate shell instead of forming a new one, Erickson said he could only guess that there were cost savings involved.

Evans and Overby, *supra* (Exh. B). The same article notes:

Perhaps another benefit was that Citizens for the Republic already had received 501(c)(4) nonprofit tax status from the Internal Revenue Service. Inheriting 501(c)(4) status from the get-go would allow American Issues Project to claim a special exemption and do what few other political organizations can do: expressly advocate for the defeat of a candidate, namely Obama, without any contribution limits.

13. The "major purpose" test applies to the entity, not to the name of the entity. Thus, in this case, AIP was incorporated in 2007 as a section 501(c)(4) corporation, and that

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corporation with that tax status has been in existence for all of 2008. For purposes of determining the corporation's "major purpose" in 2008, its activities during the 2008 campaign must be taken into consideration, even though for some portion of 2008 the corporate entity operated under different names.

14. According to a letter from an attorney for AIP to the Department of Justice, AIP operates as a qualified nonprofit corporation under 11 C.F.R. § 114.10, otherwise known as an "MCFL group." Letter from Cleta Mitchell to Mr. John C. Keane, Esq. (Aug. 26, 2008) (Exh. E).

15. On August 19, 2008, AIP filed with the Commission a "Report of Independent Expenditures Made and Contributions Received" (Form 5). (Exh. F). The report indicated that AIP spent \$2.86 million on independent expenditures on August 18, 2008. The report indicated that all of this spending was funded by a single donation from one individual, Harold Simmons, who made a donation to AIP of \$2,878,872 on August 12, 2008.

16. According to press reports, Simmons "was also a primary backer of the Swift Boat Veterans for Truth group that attacked Democratic presidential nominee John Kerry in 2004." T.W. Farnum, "Legal Controversy Erupts Over TV Ads Linking Obama to '60s Radical," *The Wall Street Journal* (Aug. 29, 2008) (Exh. G). One press report stated that Simmons was Swift Boat's second largest donor, giving \$3 million. D. Morain, "Billionaire behind Swift Boat ads funded anti-Obama spot," *Los Angeles Times* (Aug. 23, 2008) (Exh. H).

17. In response to a complaint filed by Democracy 21 and other reform organizations, the Commission in 2006 found that Swift Boat Veterans for Truth (SBVT) violated the campaign finance laws by conducting activities to influence the 2004 presidential election without registering as a political committee and without abiding by the contribution limits and source

prohibitions that apply to political committees. The Commission imposed a civil penalty of \$299,500 on SBVT. Conciliation Agreement, MURs 5511 and 5525 (Dec. 4, 2006).

18. In addition to Simmons, who was apparently the sole donor to AIP for the independent expenditures that AIP made in August, 2008, and who was a major donor to Swift Boat, another key player in the activities of Swift Boat is also involved with AIP. According to a press report, AIP "was launched by Chris LaCivita, who was intimately involved with the Swift Boat campaign, and Tony Feather, one of the co-founders of Progress for America, which spent tens of millions backing Bush in 2004." M. Mosk and C. Cillizza, "Group with Swift Boat Alumni Readies Ads Attacking Obama," *The Washington Post* (Sept. 14, 2008) (Exh. I). The Commission found in 2007 that Progress for America (PFA), the group Feather worked with in 2004, violated the campaign finance laws for similar activities to influence the 2004 presidential election without registering as a political committee and complying with the contribution limits and source prohibitions that apply to political committees. PFA paid a civil penalty of \$750,000. Conciliation Agreement, MUR 5487 (Feb. 22, 2007).

19. According to press reports, the independent expenditure sponsored by AIP was an ad called "Know Enough?" which attacked Democratic presidential nominee Barack Obama.

The text of the ad is as follows:

*Narrator:* "Beyond his speeches, how much do you know about Barack Obama?  
What does he really believe?"

Consider this: United 93 never hit the Capitol on 9/11. But the Capitol was bombed 30 years before by an American terrorist group called Weather Underground that declared war on the U.S. -- targeting the Capitol, the Pentagon, police stations and more.

One of the group's leaders, William Ayers, admits to the bombings, proudly saying later, 'We didn't do enough.' Some members of the group Ayers founded even went on to kill police.

But Barack Obama is friends with Ayers, defending him as 'respectable' and 'mainstream.' Obama's political career was launched in Ayers' home. And the two served together on a left-wing board.

Why would Barack Obama be friends with someone who bombed the Capitol and is proud of it? Do you know enough to elect Barack Obama?

American Issues Project is responsible for the content of this ad."<sup>1</sup>

20. In a release published on its website, AIP said that this ad, "Know Enough?", ran 7,307 times during the period from August 21 through August 29, 2008 on 69 stations in 14 markets in Michigan, Ohio, Pennsylvania and Virginia, all presidential battleground states in the 2008 election. (Exh. J). In testing the effectiveness of the ad, AIP president Ed Martin described the political impact of the ad by saying, "American Issues Project clearly has struck a nerve inside the Obama campaign, but even more important is the reaction of the American people, who are starting to question why Sen. Obama would have such a close relationship with an unrepentant domestic terrorist." *Id.*

#### Count 1

21. On information and belief, AIP meets the test for "political committee" status. On information and belief, it has made more than \$1,000 in "expenditures" or received more than \$1,000 in "contributions" and its "major purpose" is to influence federal elections. AIP has not registered as a political committee and has not complied with the contribution limits and reporting requirements applicable to political committees.

##### 1. Expenditure/Contribution prong

22. AIP's ad "Know Enough?" contains express advocacy under both subpart (a) and subpart (b) of section 100.22 of the Commission's regulations. In raising the question of whether voters know enough to "elect" Barack Obama, the ad uses a "phrase[] ... which in

<sup>1</sup> The ad is available on AIP's website at [http://www.americanissuesproject.org/component/option.com\\_sevret/Itemid.34/id.9/task.videodirectlink/](http://www.americanissuesproject.org/component/option.com_sevret/Itemid.34/id.9/task.videodirectlink/)



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context can have no other reasonable meaning than to urge the election or defeat" of a candidate. 11 C.F.R. § 100.22(a). Further, the content of the ad "could only be interpreted by a reasonable person as containing advocacy of the election or defeat" of a candidate. 11 C.F.R. § 100.22(b). This is consistent with AIP's position in reporting the spending as an "independent expenditure." By law, an "independent expenditure" is an "expenditure" that contains express advocacy. 2 U.S.C. § 431(17). Since AIP spent more than \$1,000 on express advocacy "expenditures" in running "Know Enough?", it satisfies the "expenditure" prong of the test for political committee status.

23. In addition, given the facts and circumstances regarding the managers of AIP and the contributor to the group, the Commission also should investigate whether the funds raised by AIP for its independent expenditure were received in response to a solicitation that indicated that any portion of the funds received would be used to oppose Senator Obama's election. If so, the funds constitute "contributions" to AIP, 11 C.F.R. § 100.57(a), and if in excess of \$1,000, satisfy the "contribution" prong of the test for political committee status.

2. "Major purpose" prong

24. The second prong of the test for political committee status is whether the "major purpose" of AIP is to influence federal elections. As noted above, the corporation was formed and received its non-profit tax status in 2007 and has been in existence, under one or more different names, continually since then. The Commission should examine the activities of AIP, under whatever names it has operated, during the 2008 campaign to determine if its spending and its activities demonstrate that the "major purpose" of AIP is to influence federal elections.

25. One press report quotes a spokesman for AIP as saying the group "formed last year but did not have any financial activity until this year." J. Kuhnhehn, "Obama, conservative group battle through DOJ," *Associated Press* (Aug. 27, 2008) (Exh. K).

26. According to press reports as of the end of August, 2008, AIP had engaged in no activities other than airing the anti-Obama ad. The *Wall Street Journal* story (Exh. G) states: "The American Issue Project's only action so far has been producing the commercial attacking the Democratic presidential nominee, which has aired more than 7,000 times in swing states at a cost of nearly \$3 million, making it the largest expenditure by an independent group so far this election cycle."

27. A spokesman for AIP said that the group "has set aside money to carry out non-election related work to meet the legal requirements." J. Kuhnhehn, "Obama seeks to silence ad tying him to 60s radical," *Associated Press* (Aug. 26, 2008) (Exh. L). A press report dated October 8, 2008 stated that AIP "will begin airing nationwide TV advertisements Wednesday [October 8] that criticize congressional Democrats for their ties to mortgage giants Freddie Mac and Fannie Mae...." B. Mullins and T.W. Farnum, "Group's Ad Blames Crisis on Democrats," *The Wall Street Journal* (Oct. 8, 2008) (Exh. M). This report stated that AIP is spending \$1 million on this ad buy, which comes in the closing weeks of the 2008 election. The ad concludes with the tag line, "Who should you trust on the economy?" *Id.* The ad is an "expenditure" within the meaning of the campaign finance laws since it criticizes Democrats generally. However, even if the ad is viewed as not attacking Democrats generally, and thus not as an expenditure, AIP's spending on the ad is only about one-third of what it spent on the "Know Enough?" ad campaign attacking Senator Obama, and thus does not by itself change the "major purpose" analysis.

28. The attorney for AIP is quoted in a press report as stating that AIP's independent expenditure ad, "Know Enough?," fulfills a non-political mission of the group:

"The purpose of that expenditure is still to promote the organization's issues and purposes," Mrs. Mitchell said. "There can be no higher manifestation of a commitment to a strong national defense or America's role in the world than who is selected to be commander in chief."

T.W. Farnum, *The Wall Street Journal*, *supra* (Exh. G). The reasoning in this statement is that advocating the election or defeat of a candidate is a way to influence issues, not elections. The Commission has never accepted such reasoning, nor have the courts, and any such logic would negate the campaign finance laws by collapsing all campaign-related activity into "issue" activity.

29. The fact that AIP is a qualified non-profit corporation is immaterial to whether it has violated the law by failing to register as a political committee. Although a qualified non-profit corporation is permitted to spend its treasury funds for express advocacy, if its "major purpose" is to influence federal elections, it is required to register as a political committee and operate pursuant to the federal laws that apply to political committees. The Supreme Court made clear in *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238 (1986) that a qualified non-profit corporation is still subject to the test for political committee status. In that case, the Court said, "[S]hould MCFL's independent spending become so extensive that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee. See *Buckley*, 424 U.S. at 79. As such it would be subject to the statutory obligations and restrictions applicable to those groups whose primary objective is to influence political campaigns." 479 U.S. at 262.

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**The American Leadership Project**

30. The American Leadership Project (ALP) is a group registered as a "political organization" under section 527 of the Internal Revenue Code. 26 U.S.C. § 527. It registered with the IRS by filing a Form 8871 on February 15, 2008. (Exh. N).

31. ALP has close ties to supporters of Senator Hillary Clinton's campaign. According to press reports, ALP was formed in February, 2008 by "major financial backers" of Senator Clinton, and its purpose was "to air television advertisements echoing her message that she is more qualified than Obama to fix the economy." M. Mosk, "Independent Group to Air TV Ads Echoing Clinton Attacks on Obama," *The Washington Post* (Feb. 21, 2008) (Exh. O).

32. According to one press report in April 2008 about ALP,

Almost all of the group's money has come from two unions that have endorsed Mrs. Clinton, the American Federation of State, County and Municipal Employees, which has contributed \$1.2 million, and the Machinists Union.

But the list of individual donors is telling in that eight of the nine people who gave \$5,000 or more to the group had already given the maximum \$2,300 donation for the primary to Mrs. Clinton's presidential campaign.

....

The group is filled with people who have ties to the Clintons: Roger Salazar, who worked in the press operation of the Clinton White House and is a political consultant in California, and Paul Rivers, another former Clinton White House staff member and senior political adviser for Senator John Kerry's presidential campaign in 2004 who worked on Mrs. Clinton's Senate campaign in 2006.

Jay Eisenhofer, a lawyer in New York who raised at least \$100,000 for Mrs. Clinton, making him a "Hillraiser," gave \$50,000 to the group. Richard Ziman, another Hillraiser and Los Angeles real estate magnate, contributed \$15,000, and William Titelman, a former Pennsylvania lobbyist and longtime Clinton fundraiser who gave enough to spend a night in the Lincoln Bedroom, contributed \$10,000 and has helped the group raise money.

M. Luo, "Facing Obama Fund-Raising Juggernaut, Clinton Seeks New Sources of Cash," *The New York Times* (April 20, 2008) (Exh. P).

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33. In its first quarterly report filed with the IRS (Form 8872) (Exh. Q), covering the period February 15, 2008 to March 31, 2008, ALP reported contributions of \$1.16 million, including a contribution of \$1 million from AFSCME, a supporter of Senator Clinton's presidential campaign. ALP also received contributions from individuals of up to \$50,000 per donor. On this report, ALP disclosed expenditures of approximately \$790,000, most of which was listed for TV airtime and ad production.

34. In its second quarterly report, filed with the IRS (Exh. R), covering the period April 1, 2008 to June 30, 2008, ALP reported contributions of approximately \$2.3 million. This included additional contributions of \$1,160,000 from AFSCME and \$400,000 from the American Federation of Teachers, also a supporter of President Clinton's presidential campaign. In addition, ALP received contributions of \$250,000 from the International Union of Painters Organization, \$150,000 from the Sheet Metal Workers International Association, \$100,000 from the International Alliance of Theatrical Stage Employees, \$50,000 from the Office & Professional Employees International Union, \$50,000 from the Machinists Non-Partisan Political League, \$50,000 from the Bricklayers & Allied Craftworkers PAC, and a contribution of \$100,000 from an individual, Daniel S. Abraham. Each of these donors was a supporter of Senator Clinton's presidential campaign. The bulk of its reported expenditures were for TV buys.

35. Between February 22, 2008, and May 29, 2008, ALP filed multiple reports with the Commission disclosing expenditures for electioneering communications (Form 9). These expenditures were for TV ads that referred to Democratic presidential candidates Hillary Clinton and Barack Obama, and that supported Senator Clinton's election. The total disbursements for such electioneering communications was approximately \$3.4 million. In addition, ALP filed an electioneering disclosure report on August 21, 2008 to report an additional disbursement of

approximately \$78,000 for a radio ad that referred to Republican presidential candidate John McCain and that opposed Senator McCain's election.

36. According to the February 21 story about ALP in *The Washington Post* (Exh. O):

In the group's first ad, the television image shows a shuttered factory and a home in foreclose, and a voiceover says: "If speeches could create jobs, we wouldn't be facing a recession." The criticism of "speeches" closely mirrors a line of attack Clinton has used against Obama. ...

Supporters of the group, called the American Leadership Project, said yesterday that they decided to undertake the effort late last month, when Clinton was forced to lend her campaign \$5 million to try to minimize Obama's large fundraising advantage.

37. This press report also stated that ALP's ads were run in Texas and Ohio, the next Democratic primaries where Clinton was campaigning against Obama. As the *Post* story (Exh. O) noted, ALP "is advertising only in states where Clinton faces competitive primary contests. And the content of its first ad strongly hints that its purpose is to support her candidacy and oppose Obama's." Press reports stated that ALP spent approximately \$1 million on ads in Texas and Ohio immediately before the primary elections in those states.

38. In April, according to press reports, ALP spent \$700,000 on ads run in Indiana immediately before the primary election there. J. Kuhnenn, "Pro-Clinton group airing ad in Indiana," *Associated Press* (April 28, 2008) (Exh. S). As this article notes, "The Indiana ad would be the biggest single expenditure in a state for the mostly union financed group, called the American Leadership Project. ... The ad campaign could come at a crucial time for Clinton. The Democratic presidential race in Indiana is a dead heat, according to public opinion polls. Obama, the better-financed candidate, has been spending more than Clinton."

39. In early June, ALP spent \$300,000 to run ads in Montana and South Dakota, immediately before the primaries in those states. J. Kuhnenn, "Clinton looks for victory in

Puerto Rico primary," *Associated Press* (June 1, 2008) (Exh. T). The ad which ran in South Dakota, called "Squeezed," promoted the campaign of Senator Clinton. It stated<sup>2</sup>:

Gas and Food prices are squeezing South Dakota families from both ends. Hillary Clinton has the right plan to help 1) promote clean energy to create more good paying jobs in South Dakota 2) cut taxes for the middle class 3) eliminate the special tax breaks for the big oil companies. Call Hillary Clinton and tell her to keep fighting for the middle class. Paid for by the American Leadership Project which is responsible for its content. Not authorized by any candidate or candidate's committee.

An identical ad, referencing Montana, was run in that state before its primary.<sup>3</sup> A similar ad, called "Middle," which ran in Oregon before the primary in that state, also promoted the campaign of Senator Clinton. It stated<sup>4</sup>:

Gas and Food prices are squeezing Oregon families from both ends. Hillary Clinton has the right plan to help. Her plan focuses on clean energy, creating more good paying jobs right here. No wonder the Salem Statesman Journal wrote that Hillary Clinton gets the contents of the middle class. Call Hillary Clinton and tell her to keep fighting for clean energy and good jobs. Paid for the American Leadership Project which is responsible for its content. Not authorized by any candidate or candidate's committee.

40. AIP also spent \$150,000 for ads in Puerto Rico right before the primary there.

According to one press report referring to ALP, "In a sign that her supporters were unwilling to give up, an outside group financed by her labor backers bought \$150,000 worth of television ads on the island promoting her views." J. Kuhnmann, "Clinton looks for victory in Puerto Rico primary," *supra* (Exh. T).

41. Following the end of the primary season, ALP switched from promoting Senator Clinton and ran an ad that attacked Senator McCain, the Republican nominee for president. ALP

<sup>2</sup> The South Dakota ad is available at <http://www.youtube.com/watch?v=nWrpUO8SOHo>

<sup>3</sup> The Montana ad is available at <http://www.youtube.com/watch?v=Cv2t3kZiP14&feature=user>

<sup>4</sup> The Oregon ad is available at <http://www.youtube.com/watch?v=NFOCtoCk0ZI&feature=user>

ran the following radio ad, entitled "More Money, More Problems," which was aired in Colorado during the Democratic convention in late August held in Denver. The ad stated<sup>5</sup>:

Gas prices across Colorado exceeded the four-dollar per gallon mark.  
Exxon/Mobil reported the biggest quarterly profit ever by a corporation.  
Demonstrators in Denver today rallied against big oil profits.

While Colorado families are struggling to make ends meet, Big Oil companies are enjoying record profits.

The John McCain solution?

More money for Big Oil. More problems for us.  
McCain wants to drill along our coastline, which experts say won't produce oil until 2018.

But he's repeatedly opposed incentives for proven renewable energies like wind and solar power.

McCain voted against requiring Big Oil to invest their windfall profits in clean energy and new jobs.

But he supports a \$4 billion tax break for America's five richest oil companies. That's not a path to energy independence.

Call John McCain at 202-224-2235 and tell him Coloradans need real solutions to America's energy crisis.

Visit [leadership-project.org](http://leadership-project.org). Paid for by the American Leadership Project, which is responsible for its content, not authorized by any candidate or candidate's committee.

42. On the home page of its website, ALP, which had promoted Senator Clinton during her primary battle with Senator Obama, now displays a box which reads, "Speak Out. Contact Senator Barack Obama and tell him to keep fighting for the issues that matter to the middle class." <http://www.leadership-project.org/preview/?p=25> (October 8, 2008).

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<sup>5</sup> The Colorado ad is available at <http://www.leadership-project.org/MoreMoneyMoreProblems>  
EN RV.mp3



Count 2

43. On information and belief, ALP meets the test for "political committee" status. On information and belief, it has made more than \$1,000 in "expenditures" or received more than \$1,000 in "contributions" and its "major purpose" is to influence federal elections. ALP has not registered as a political committee and has not complied with the contribution limits and reporting requirements applicable to political committees.

1. "Major purpose" prong

44. ALP is organized under section 527 of the Internal Revenue Code, 26 U.S.C. § 527, and thus, given its activities, is by definition a "political organization" that is operated "primarily" for the purpose of influencing candidate elections. Section 527 of the IRC provides tax exempt treatment for "exempt function" income received by any "political organization." The statute defines "political organization" to mean a "party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function." 26 U.S.C. § 527(e)(1) (emphasis added). An "exempt function" is defined to mean the "function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice Presidential electors...." 26 U.S.C. § 527(e)(2) (emphasis added). The Supreme Court said in *McConnell*, "Section 527 'political organizations' are, unlike § 501(c) groups, organized for the express purpose of engaging in partisan political activity." 540 U.S. at 174 n.67. The Court noted that 527 groups "by definition engage in partisan political activity." *Id.* at 177. A "political organization" as defined in section 527 must register as such with the Secretary of the Treasury, and must file periodic disclosure

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reports with the Secretary as required by section 527(j). ALP has registered as a "political organization" under section 527.

45. Thus, by definition, any entity that registers with the Secretary as a "political organization" under section 527 is "organized and operated primarily" for the purpose of "influencing or attempting to influence the selection, nomination, election or appointment of" an individual to public office. The Commission has cited the section 527 standard as identical to the "major purpose" prong of the test for "political committee" status. See, e.g., Advisory Opinions 1996-13, 1996-3, 1995-11. Accordingly, a group that chooses to register as a "section 527 group" – including ALP – is, by definition, an entity "the major purpose of which is the nomination or election of a candidate...."<sup>6</sup>

46. On the basis of all of the facts and circumstances involving ALP, including its status as a section 527 "political organization," the purpose for which the organization was founded, the campaign-related activities of the founders and major donors to ALP and the activities undertaken by the organization, the Commission should find that ALP satisfies the "major purpose" prong of the "political committee" test as set forth in *Buckley*.

2. Expenditure/Contribution prong.

47. The other prong of the definition of "political committee" is met if an entity which meets the "major purpose" test also receives "contributions" or makes "expenditures" aggregating in excess of \$1,000 in a calendar year. Both "contributions" and "expenditures" are defined to mean funds received or disbursements made "for the purpose of influencing" any federal election. 2 U.S.C. § 431(8), (9).

---

<sup>6</sup> This would be true in all instances other than a 527 organization which is organized and operated primarily for the purpose of influencing the selection or appointment of individuals to appointive office such as, e.g., a judicial appointment. This exception does not apply here.

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48. The test of whether a group has made \$1,000 in "expenditures" is not limited by the "express advocacy" standard when applied to a section 527 group, such as ALP, as a federal district court in Washington, D.C. concluded last year. *See Shays v. FEC*, 511 F.Supp. 2d 19, 27 (D.D.C. 2007). Rather, the test for "expenditure" in this case is the statutory standard of whether disbursements have been made "for the purpose of influencing" any federal election, regardless of whether the disbursements were for any "express advocacy" communication. The Supreme Court made clear in *Buckley* that the "express advocacy" standard does not apply to an entity, like a section 527 group, which has the major purpose of influencing candidate elections and is thus not subject to concerns of vagueness in drawing a line between issue discussion and electioneering activities. Groups such as section 527 "political organizations" are formed for the principal purpose of influencing candidate elections and, as explained by the Court in *Buckley*, expenditures by such groups "can be assumed to fall within the core area sought to be addressed by Congress. They are, by definition, campaign related." 424 U.S. at 79. The Court affirmed this position in *McConnell*. 540 U.S. at 170, n.64. Thus, the "express advocacy" test, which the Supreme Court in *McConnell* deemed to be "functionally meaningless," 540 U.S. at 217, is not relevant to the question of whether a section 527 organization is making expenditures to influence the election of federal candidates.

49. In *Shays v. FEC*, *supra*, the federal district court stated that it was a "misreading" of *Buckley* to apply the "express advocacy" test to determine "expenditures" by groups which have as their "major purpose" to influence elections. The district court said the Supreme Court "imposed the narrowing gloss of 'express advocacy' on the term 'expenditure' only with regard to groups other than 'major purpose' groups." *Id.* at 27. The district court added that "having misinterpreted *Buckley*, the FEC is applying the express advocacy requirement to expenditures in

cases where it is unnecessary." *Id.* This is a case where applying the express advocacy test would be unnecessary.

50. ALP has made "expenditures" in amounts far in excess of the \$1,000 threshold for political committee status. These expenditures have been made for broadcast advertisements that promoted Senator Clinton during the 2008 presidential primaries, and after the primaries were over, that attacked Senator McCain, the presumptive- Republican nominee for president. These ads have been "for the purpose of influencing" federal elections, and thus constitute "expenditures" under the law.

51. Even if the Commission were to incorrectly decide that the "express advocacy" test does apply to section 527 groups, however, the ads run by ALP meet the standard for express advocacy in section 100.22(b) of the Commission's regulations. The Commission regulations define "express advocacy" to include a communication that "when taken as a whole and with limited reference to external events...could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more candidates because the electoral portion of the communication is unmistakable, unambiguous and suggestive of only one meaning and reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action." 11 C.F.R. § 100.21(h). The ads run by ALP, when taken as a whole, can only be interpreted by a reasonable person as advocating the election of Senator Clinton, or advocating the defeat of Senator McCain. Thus, the ads meet the Commission's existing regulatory definition of "express advocacy" and the disbursements for the ads constitute "expenditures."

52. Given the facts and circumstances regarding the contributors to ALP, the Commission also should investigate whether the funds raised by ALP for its ads were received in

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response to any solicitation that indicated that any portion of the funds received would be used "to support" Senator Clinton's election, or "to oppose" Senator McCain's election. If so, the funds constitute "contributions" to ALP, 11 C.F.R. § 100.57(a), and if in excess of \$1,000, satisfy the "contribution prong of the test for political committee status.

#### Summary

53. On information and belief, the "major purpose" of AIP and of ALP each is to support or oppose the election of one or more federal candidates, and each has spent more than \$1,000 in "expenditures" or received more than \$1,000 in "contributions" for this purpose. The Commission accordingly should investigate and determine whether each respondent is a "political committee" under the Act. The respondents have not filed a statement of organization as a political committee, as required by 2 U.S.C. § 432, have not complied with the reporting requirements of 2 U.S.C. § 434, and have not complied with the contribution limits of 2 U.S.C. § 441a and, in the case of ALP, the source prohibitions of 2 U.S.C. § 441b. The Commission should investigate and determine whether each respondent has violated the law in this regard.

#### Disclosure

54. The Commission and the public, including the complainant, are not receiving full and accurate public disclosure of the funds raised and spent by each respondent, as required by FECA. If the Commission determines that AIP and ALP are each a political committee, the funds received by each respondent are "contributions" subject to the mandatory federal reporting requirements of FECA and are required to be fully disclosed to the Commission and to the public, 2 U.S.C. § 434, including complainant.

55. The donations received by AIP, as a section 501(c)(4) organization which is not reporting to the Commission as a federal political committee, are not disclosed to the public.

Thus, to the extent that ALP is wrongly treating contributions required to be reported under FECA instead as donations to a section 501(c)(4) account, the public, including complainant, and the Commission are not receiving disclosure of contributions required to be disclosed under FECA.

56. The donations received by ALP, as a section 527 group which is not reporting to the Commission as a federal political committee, are subject to reporting to the Internal Revenue Service only under 26 U.S.C. § 527 and such disclosures may be avoided altogether if the recipient chooses to pay income tax on the donation. Further, section 527, unlike the FECA requirements applicable to political committees, does not require the reporting of the aggregate amount of un-itemized contributions received by the group, so there is no basis to determine the total aggregate amount raised by such a section 527 group. Thus, to the extent that ALP is wrongly treating contributions required to be reported under FECA instead as donations to a section 527 account, the public, including complainant, and the Commission have no assurance that all contributions required to be disclosed under FECA are properly being disclosed, or that the total amount of contributions to ALP is being disclosed.

#### Prayer for Relief

57. Wherefore, the Commission should conduct an immediate investigation under 2 U.S.C. § 437g, to determine whether the American Issues Project and the American Leadership Project have each violated 2 U.S.C. §§ 432, 434, 441a and, in the case of ALP, § 441b(a), and if so, whether each respondent has engaged in knowing and willful violations under 2 U.S.C. § 437g(a)(5)(B), (C) and § 437g(d). If any such violations have occurred, the Commission should impose appropriate sanctions for such violations, should enjoin each respondent from all such

violations in the future, and should impose such additional remedies as are necessary and appropriate to ensure compliance with FECA.

58. In addition, the Commission should investigate to determine whether the individuals who are serving and who have served as the organizers, managers and leaders of AIP and ALP, including major donors who are playing or who have played such a role, have violated the same laws, and, if so, whether they have engaged in knowing and willful violations under 2 U.S.C. § 437g(a)(5)(B), (C) and § 437g(d). If any such violations have occurred, the Commission should impose appropriate sanctions for such violations, should enjoin each respondent from all such violations in the future, and should impose such additional remedies as are necessary and appropriate to ensure compliance with FECA.

Respectfully submitted,



---

Democracy 21, by  
Fred Wertheimer  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
202-429-2008

October 10, 2008

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Verification

The complainant listed below hereby verifies that the statements made in the attached Complaint, upon information and belief, are true.

Sworn to pursuant to 18 U.S.C. § 1001.

For Complainant Democracy 21



Fred Wertheimer

Sworn to and subscribed before me this 10 day of October.

  
Notary Public

**Melinda Spelling Seltzer**  
Notary Public, District of Columbia  
My Commission Expires 10-14-2008



13044333602

# EXHIBIT A

State of Delaware  
 Secretary of State  
 Division of Corporations  
 Delivered 07:57 PM 05/17/2007  
 FILED 07:26 PM 05/17/2007  
 SRV 070581999 - 4354385 FILE

STATE OF DELAWARE  
 CERTIFICATE OF INCORPORATION  
 A NON-STOCK CORPORATION  
 OF  
 CITIZENS FOR THE REPUBLIC, INC.

- FIRST:** The name of the corporation is:  
 Citizens for the Republic, Inc.
- SECOND:** The address of the registered office of the corporation in the State of Delaware is located at Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, located in the County of New Castle. The registered agent in charge thereof is Corporation Service Company.
- THIRD:** The purpose of the corporation, Citizens for the Republic, Inc., is to act for any lawful purpose for a social welfare organization pursuant to section 501(c)(4) of the Internal Revenue Code of 1986 (or the corresponding section of any future federal tax code).
- FOURTH:** The corporation shall not have any capital stock and the conditions of membership shall be stated in the corporation's Bylaws.
- FIFTH:** The name and mailing address of the incorporator is as follows:  
 Sharon C. Nelson  
 c/o Foley & Lardner LLP  
 321 N. Clark Street, Suite 2800  
 Chicago, Illinois 60610
- SIXTH:** The corporation is organized exclusively for the promotion of social welfare, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(4) of the Internal Revenue Code, as from time to time amended, or the corresponding section of any future tax code.

Notwithstanding any other provisions in these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code, as from time to time amended, or the corresponding section of any future tax code.

Upon dissolution of the corporation, and after paying for, or providing for its debts, by majority vote, the corporation's Board of Directors shall distribute the corporation's remaining assets for one or more exempt purposes within the meaning of section 501(c)(4) of the Internal Revenue Code, as from time to time amended, or the corresponding section of any future tax code, or shall distribute

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EXHIBIT A

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any of the corporation's remaining assets to the Federal, state or local government for a public purpose. Any assets not so distributed shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 17th day of May, A.D. 2007.

By:

  
Sharon C. Nelson, Incorporator

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# **EXHIBIT B**

n p r

September 24, 2008

HOME | LATEST NEWS | BLOG: THE ADS | THE ORGANIZATIONS

LEARN MORE ABOUT THIS PROJECT •



• [Newer Post](#)

[Main Blog Page](#)

[Older Post »](#)

### Obama Goes After Conservative Group -- But Can't Find Business Filings

The Obama campaign has gone on the offensive against a multi-million dollar ad campaign by the American Issues Project, a conservative group tying the Democratic candidate to Bill Ayers, a one-time leader of the Weather Underground.

This new ad from the Obama campaign asks why John McCain is "talking about the '60s" -- a direct message that he's ignoring current problems and a subtext that he's stuck in the past.

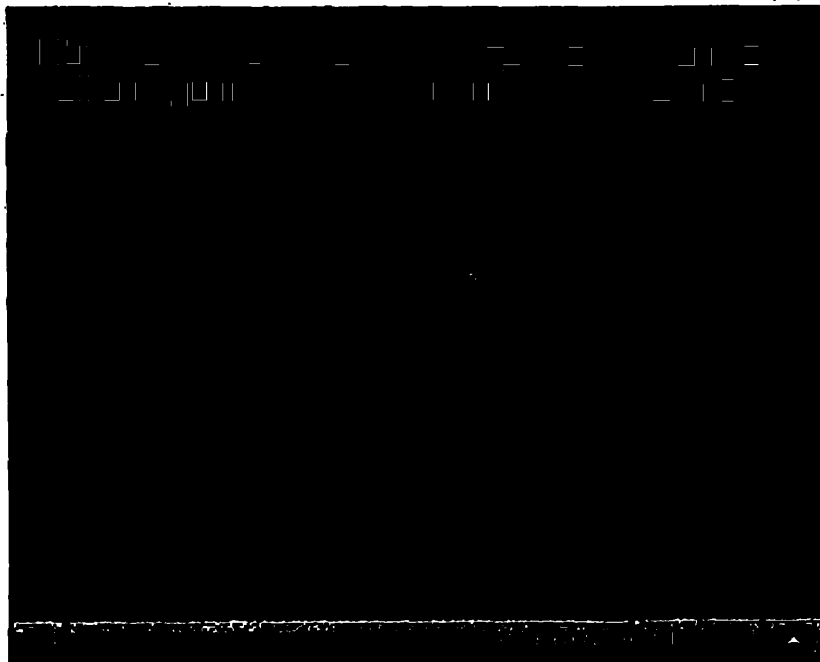


EXHIBIT B

And because this is a campaign finance issue, there's also action on the legal front. Obama's lawyer Robert Bauer has done what lawyers do -- dispatch letters, both to the Justice Department, demanding an investigation of the American Issues Project, and to stations running the ads. The letters were first reported by Politico.

In a small bit of irony, the letters from Bauer resemble an attack he mounted against the American Leadership

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Project, a 527 group that backed Hillary Clinton in the primaries and attacked Obama. It's ironic because AIP is now going after McCain on Obama's behalf.

Odder, perhaps, is this gap in Bauer's research, and what it shows about the inner workings of independent political organizations.

In an Aug. 21 letter to station managers, Obama's attorney Bob Bauer writes, "There is no 'American Issues Project.' It is not incorporated anywhere...Its name is only a front to hide the true sponsors of this base and mendacious attack, and FCC regulations do not permit a shadowy front group to claim sponsorship of political advertising."

Apparently the Obama legal team did not look in the home state of Obama's running mate, Joe Biden. The American Issues Project does indeed exist, and Delaware, a popular spot for business incorporations, is where it's incorporated.

The story gets stranger from here. AIP was originally incorporated in May 2007 under the name Citizens for the Republic, according to Delaware filings.

The original directors of Citizens for the Republic were Paul Erickson, Richard Sharp, and Stephen Moore, founder of the Club for Growth and current member of the Wall Street Journal editorial board. Erickson (who served on the National Faith and Values Steering Committee for Mitt Romney's campaign in this year's GOP primaries) told us that CFTR -- named after a group run by Ronald Reagan in the 1970s -- was formed to push a conservative, free-market issues agenda, but never got off the ground.

Records show that CFTR changed its name to Avenger Inc. earlier this year, and then to American Issues Project just this month.

Erickson says Avenger Inc. was just a placeholder name, and that CFTR has nothing to do with American Issues Project. He said AIP has completely separate leadership and simply used the corporate "shell" of Citizens for the Republic after it disbanded. As to why AIP would take the corporate shell instead of forming a new one, Erickson said he could only guess that there were cost savings involved.

Odd that a group flush with some \$3 million would have to eat current life that. Perhaps another benefit was that Citizens for the Republic already had received 501(c)(4) nonprofit tax status from the Internal Revenue Service.

Inheriting 501(c)(4) status from the get-go would allow American Issues Project to claim a special exemption and do what few other political organizations can do: expressly advocate for the defeat of a candidate, namely Obama, without any contribution limits. At least that's what a Washington lawyer who specializes in nonprofits tells us.

The group would still eventually have to prove to the IRS that it stayed within the rules of its tax-exempt status. But it would start out golden.

Of course, the Obama campaign says that AIP is not playing by the rules of a 501(c)(4). Bauer's letter to John Keeney, deputy assistant attorney general at DOJ's criminal division, says that AIP is operating as a political action committee and ought to be constrained by the same contribution limits. Donors to PACs are limited to \$5,000. One donor, Texas businessman Harold Simmons, put up \$2.8 million for the ads.

-- Will Evans and Peter Overby

UPDATE: Politico has AIP's response to the Justice Department. Interestingly, the group's lawyer, Cleta Mitchell, is the same one who registered Citizens for the Republic as a 501(c)(4) with the IRS.

2:27 PM ET | 08-26-2008 | permalink

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# EXHIBIT C

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FORM 01/01/0000

F06

State of Delaware  
 Secretary of State  
 Division of Corporations  
 Delivered 11:59 AM 04/02/2009  
 FILED 11:52 AM 04/02/2009  
 DSV 000385283 - 4354585 FILE

**STATE OF DELAWARE  
 CERTIFICATE OF AMENDMENT  
 (A CORPORATION WITHOUT CAPITAL STOCK)**

The corporation, Citizens for the Republic, Inc.  
 organized and existing under the laws of the State of Delaware, hereby certifies as  
 follows:

(1) That at a meeting a vote of the members of the governing body was taken  
 for and against the amendment to the Certificate of Incorporation, said Amendment being  
 as follows: To change the name of the entity from Citizens for the Republic, Inc. to Avenger, Inc.

(2) That said amendment was duly adopted in accordance with the provisions of  
 Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be  
 signed this 19 day of March, A.D. 2008

By:   
 Authorized Officer

Name: Paul Eickman  
 Print or Type

13044333609



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# EXHIBIT D

State of Delaware  
 Secretary of State  
 Division of Corporations  
 Delivered 09:59 AM 08/06/2008  
 FILED 09:54 AM 08/06/2008  
 BY 080818500 - 4354825 FILE

**STATE OF DELAWARE  
 CERTIFICATE OF AMENDMENT  
 (A CORPORATION WITHOUT CAPITAL STOCK)**

The corporation, AVENGER, Inc.  
 organized and existing under the laws of the State of Delaware, hereby certifies as follows:

(1) That at a meeting a vote of the members of the governing body was taken for and against the amendment to the Certificate of Incorporation, said Amendment being as follows:

To change the name of the entity from Avenger, Inc.  
 to American Issues Project, Inc.

(2) That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 4th day of August, A.D. 2008.

By: [Signature]  
 Authorized Officer

Name: Paul Erickson, President  
 Print or Type

EXHIBIT D

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13044333612

# EXHIBIT E

13044333613

# EXHIBIT F

# FEC FORM 5

PAGE 1/4  
08/19/2008 17:29

## REPORT OF INDEPENDENT EXPENDITURES MADE AND CONTRIBUTIONS RECEIVED

To Be Filed by Persons (Other Than Political Committees) Including Qualified Nonprofit Corporations

1. (a) Name of Individual, Organization or Corporation American Issues Project, Inc.		3. FEC Identification Number C 00000000
(b) Address (number and street) <input type="checkbox"/> check if different than previously reported 301 W. Platt Street, #353		
(c) City, State and ZIP Code Tampa FL 33606		
2. Corporate filers only Is the filer a qualified nonprofit corporation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Individual filers only Name of Employer		Occupation

### 4. TYPE OF REPORT (check appropriate boxes):

- (a) ☐ April 15 Quarterly Report ☒ 24-Hour Notice ☐ 48-Hour Notice  
☐ July 15 Quarterly Report  
☐ October Quarterly Report  
☐ January 31 Year-End Report

(b) Is this Report submitted? Yes ☐ No ☒

5. COVERING PERIOD: FROM 01 / 01 / 2008  
THROUGH 09 / 30 / 2008

6. TOTAL CONTRIBUTIONS 2578872.76

7. TOTAL INDEPENDENT EXPENDITURES 2578872.76

I, the undersigned, certify that the foregoing is a true and correct statement of the independent expenditures made and contributions received by the filer during the period covered by this report, and that the filer is not a political committee, and that the filer is not a candidate for federal office, and that the filer is not a candidate for election to the U.S. House of Representatives, U.S. Senate, or President of the United States.

TYPE OR PRINT NAME OF PERSON COMPLETING FORM

SIGNATURE

DATE

Nancy H. Watkins

08/19/08

NOTE: Filers must file this report with the Federal Election Commission, 1100 Pennsylvania Avenue, N.E., Washington, D.C. 20002. Telephone: (202) 453-3437. Fax: (202) 453-3438.

For further information, contact:

Federal Election Commission, 1100 E Street, N.E., Washington, D.C. 20002 Telephone: (202) 453-3437, TDD: (202) 453-3438

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EXHIBIT F

**SCHEDULE 6-A  
ITEMIZED RECEIPTS**

PAGE 214

Any information copied from such reports and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF FILER (in Full)  
American Issues Project, Inc.

**A. Full Name (last, First, Middle Initial)**

Harold Simmons  
Mailing Address  
5430 LBJ Freeway, #1700

**Date of Receipt**

08 / 12 / 2008

City State Zip Code  
Dallas TX 76240

Transaction ID: F60,000001

FEC ID number of contributing  
federal political committee. C

Amount of Each Receipt This Period  
2878872.75

Name of Employer Occupation  
Contran Corporation a.s.o.

SUBTOTAL of Receipts This Page (optional)

2878872.75

TOTAL This Period (last page carry total to Line 4)

2878872.75

15044333615

24039920102

**SCHEDULE 5-E**  
**ITEMIZED INDEPENDENT EXPENDITURES**

PAGE 3/4

FOR LINE 7 FOR FORM 5

NAME OF FILER (in full)

American Issues Project, Inc.

Full Name (Last, First, Middle Initial) of Payee  
Mentzer Media Services, Inc.

Mailing Address  
800 Fairmount Avenue, #306

City State Zip Code  
Towson MD 21286

Date

08 / 18 / 2008

Amount

200000.00

Purpose of Expenditure  
television ad (Know Enough?)

Category/  
Type

Office Sought:

☐ House

State: \_\_\_\_\_

Presidential ☐

☐ Senate

District: \_\_\_\_\_

☒ Representative

Name of Federal Candidate Supported or Opposed by Expenditure:  
Barack Obama

Check One:

☐ Support

☒ Oppose

Calendar Year-To-Date Per Election  
for Office Sought

200000.00

Disbursement For:

☐ Primary

☐ General

☐ Other (specify):

Contribution

Full Name (Last, First, Middle Initial) of Payee  
Brabender Cox, Inc.

Mailing Address  
1215 Grandview Avenue

City State Zip Code  
Pittsburgh PA 15210

Date

08 / 18 / 2008

Amount

1000.00

Purpose of Expenditure  
website services (Know Enough?)

Category/  
Type

Office Sought:

☐ House

State: \_\_\_\_\_

Presidential ☐

☐ Senate

District: \_\_\_\_\_

☒ Representative

Name of Federal Candidate Supported or Opposed by Expenditure:  
Barack Obama

Check One:

☐ Support

☒ Oppose

Calendar Year-To-Date Per Election  
for Office Sought

2001000.00

Disbursement For:

☐ Primary

☐ General

☐ Other (specify):

Contribution

Full Name (Last, First, Middle Initial) of Payee  
McCarthy Marcus Horning, LLC

Mailing Address  
1850 M Street, N.W., #235

City State Zip Code  
Washington DC 20036

Date

08 / 18 / 2008

Amount

82117.45

Purpose of Expenditure  
media production (Know Enough?)

Category/  
Type

Office Sought:

☐ House

State: \_\_\_\_\_

Presidential ☐

☐ Senate

District: \_\_\_\_\_

☒ Representative

Name of Federal Candidate Supported or Opposed by Expenditure:  
Barack Obama

Check One:

☐ Support

☒ Oppose

Calendar Year-To-Date Per Election  
for Office Sought

2063117.45

Disbursement For:

☐ Primary

☐ General

☐ Other (specify):

Contribution

(a) SUBTOTAL of Itemized Independent Expenditures

2063117.45

(b) SUBTOTAL of Unitemized Independent Expenditures

(c) TOTAL Independent Expenditures

(carry total from last page forward to Line 7)

13044333616

20050820103

**SCHEDULE 5-E  
ITEMIZED INDEPENDENT EXPENDITURES**

PAGE 414  
FOR LINE 7 FOR FORM 5

NAME OF FILER (in full)  
American Issues Project, Inc.

Full Name (Last, First, Middle Initial) of Payee McCarthy Marcus Henning, Ltd.	Date 08 ' 18 ' 2008
Mailing Address 1850 M Street, N.W., #235	Amount 15755.30
City Washington	State DC
Zip Code 20036	

Purpose of Expenditure research (Know Enough?)	Category/ Type	Office Sought: Presidential <input type="checkbox"/> House <input type="checkbox"/> State <input type="checkbox"/> <input checked="" type="checkbox"/> President <input type="checkbox"/> District: _____
Name of Federal Candidate Supported or Opposed by Expenditure: Barack Obama		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose

Calendar Year-To-Date Per Election for Office Sought	2878872.75	Disbursement For: 2008 <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____
---	------------	---

(a) SUBTOTAL of Itemized Independent Expenditures .....	15755.30
(b) SUBTOTAL of Unitemized Independent Expenditures .....	
(c) TOTAL Independent Expenditures..... (carry total from last page forward to Line 7)	2878872.75



13044333617

28038820104



1304433618

26959820105

Federal Election Commission	
ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS	
The FEC added this page to the end of this filing to indicate how it was received.	
<input type="checkbox"/> Hand Delivered	Date of Receipt
<input type="checkbox"/> USPS First Class Mail	Postmarked
<input type="checkbox"/> USPS Registered/Certified	Postmarked (R/C)
<input type="checkbox"/> USPS Priority Mail	Postmarked
Delivery Confirmation™ or Signature Confirmation™ Label: <input type="checkbox"/>	
<input type="checkbox"/> USPS Express Mail	Postmarked
<input type="checkbox"/> Postmark Illegible	
<input type="checkbox"/> No Postmark	
<input type="checkbox"/> Overnight Delivery Service (Specify):	Shipping Date
	Next Business Day Delivery <input type="checkbox"/>
<input type="checkbox"/> Received from House Records & Registration Office	Date of Receipt
<input type="checkbox"/> Received from Senate Public Records Office	Date of Receipt
<input type="checkbox"/> Received from Electronic Filing Office	Date of Receipt
<input checked="" type="checkbox"/> Other (Specify): <i>Webform # 239</i>	Date of Receipt or Postmarked: <i>8/24/08</i>
 PREPARER	 DATE PREPARED

(3/2005)

1304433619

# EXHIBIT G

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## THE WALL STREET JOURNAL

WSJ.com

MARKET 28, 2008

# Legal Controversy Erupts Over TV Ads Linking Obama to '60s Radical

By T.W. FARNAM

Television advertisements that link Barack Obama to a 1960s radical have sparked a legal controversy that is unlikely to be resolved until after the general election in November.

The group sponsoring the ads, the American Issues Project, is relying on a legal exemption that allows nonprofits to accept large contributions to spend on political advertising so long as the groups don't have the "major purpose" of influencing elections. The group is funded by Harold Simmons, the Texas billionaire who was also a primary backer of the Swift Boat Veterans for Truth group that attacked Democratic presidential nominee John Kerry in 2004.

Liberal groups that spend a majority of their funding on advocacy other than elections have used the "qualified nonprofit" exemption to run ads intended to influence elections following requirements established by the 1986 Supreme Court decision that created the exemption. In recent years, several conservative groups have also been formed that take advantage of it.

The American Issues Project's only action so far has been producing the commercial attacking the Democratic presidential nominee, which has aired more than 7,000 times in swing states at a cost of nearly \$3 million, making it the largest expenditure by an independent group so far this election cycle.

"It really comes down to whether this organization has a major purpose of influencing federal elections," said Richard Hasen, an election-law expert at Loyola Law School in Los Angeles. "So far, it looks like that's the only purpose of this group."

The American Issues Project said its "major purpose" is championing such conservative causes as small government, a strong national defense, lower taxes, family values and economic growth. The group's lawyer, Cleta Mitchell, said the advertisement fulfills the group's mission because of its national-security focus.

"The purpose of that expenditure is still to promote the organization's issues and

EXHIBIT G

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purposes," Mrs. Mitchell said. "There can be no higher manifestation of a commitment to a strong national defense or America's role in the world than who is selected to be commander in chief."

Ed Martin, president of the American Issues Project, said this is his group's first initiative. The group will spend a majority of its budget on issue-based advocacy, he said, probably on TV and radio. "Part of our plan is that the issue advocacy will better fit around the time when the new Congress is coming in," Mr. Martin said.

The legality of the group's actions will likely have to be decided by the Federal Election Commission or the courts.

The advertisement ties Sen. Obama to William Ayers, an education professor at the University of Illinois at Chicago who co-founded the Weather Underground, which was responsible for bombing government buildings in the early 1970s.

Mr. Ayers was an early political ally of Sen. Obama in Chicago and the two served together on the board of a charity. The Obama campaign says the ad makes several false statements, including that Mr. Ayers launched Sen. Obama's political career and that Sen. Obama called Mr. Ayers "mainstream" and "respectable."

One of the American Issues Project's directors was formerly a paid consultant to Sen. John McCain's presidential campaign. Mr. Simmons has raised more than \$50,000 for the Republican presidential candidate.

The Obama campaign has run a response ad linking the charges to Sen. McCain and has mounted a campaign to combat the advertisement by encouraging supporters to make phone calls and write emails to TV stations airing the commercial, alleging it is both false and illegal. The campaign says its supporters have sent about 93,000 emails to the Sinclair Broadcast Group Inc., which owns many of the stations running the spot.

The Obama campaign's general counsel, Rob Bauer, has sent two letters to the Justice Department asking for an investigation of the group and the \$3 million contribution by Mr. Simmons, the only funder who has been disclosed.

Mr. Martin of the American Issues Project said none of the 69 stations running the ad has pulled it in response to complaints from Sen. Obama and his supporters. Mr. Martin stood by the veracity of the commercial.

Write to T.W. Farnam at [timothy.farnam@wsj.com](mailto:timothy.farnam@wsj.com)

13044333622

# EXHIBIT H

13 of 17 DOCUMENTS

Los Angeles Times

August 23, 2008 Saturday  
Home Edition

## CAMPAIGN '08; Billionaire behind Swift Boat ads funded anti-Obama spot; The TV ad focuses on the candidate's ties to a former radical.

BYLINE: Dan Morain, Times Staff Writer

SECTION: MAIN NEWS; National Desk; Part A; Pg. 12

LENGTH: 730 words

Texas billionaire Harold Simmons, who helped pay for the devastating attacks on the military record of Democratic presidential candidate John F. Kerry in 2004, has paid for a television ad that assails Barack Obama over his ties to a founder of a violent radical group.

Simmons, who is also a major fundraiser for John McCain, donated \$2.87 million that a newly formed nonprofit group, the American Issues Project, has used for the ad, a report filed Friday with the Federal Election Commission shows.

The 60-second ad opens with Obama giving a speech, then asks how much voters know about him.

From there, it focuses on his relationship with William Ayers, a University of Illinois at Chicago professor who more than three decades ago was deeply involved with the Weather Underground, which claimed responsibility for numerous bombings.

The American Issues Project is airing the commercial in Ohio and Michigan, where Obama and McCain are locked in tight contests.

Obama's campaign responded to the ad by sending a letter to the Justice Department charging that the backers are violating criminal law and urging an investigation. Obama's attorneys also are calling on television stations not to air the spot.

The national Fox News Network has declined to air it, but several Fox affiliates in Ohio and Michigan are showing it.

"It's on fans of stations in Michigan and Ohio," said Christian Pinkston, a Washington consultant overseeing the effort.

"It is a battleground-state strategy."

Pinkston and Simmons were both involved with Swift Boat Veterans for Truth, the group that ran ads questioning the Vietnam record of Kerry, a decorated veteran. Simmons was Swift Boat's second-largest donor, giving \$3 million.

Simmons has donated at least \$4.5 million to federal campaigns in the past decade, Federal Election Commission records show.

EXHIBIT H

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CAMPAIGN '08: Billionaire behind Swift Boat ads funded anti-Obama spot; The TV ad focuses on the candidate's ties to a former radical. Los Angeles Times August 23, 2008 Saturday

Simmons was No. 43 on the 2007 Forbes list of richest Americans, with a net worth estimated at \$7.4 billion. Known as a corporate raider, Simmons has been nicknamed "the low king." He acquired his wealth by investing in drugstores, steel, garbage collection and other entities. He could not be reached for comment.

On its website, McCain's campaign discloses that Simmons has raised between \$50,000 and \$100,000 for the Republican candidate.

Simmons also has given direct contributions to McCain and McCain-related committees totaling \$17,300 since the presidential campaign began last year. A political action committee affiliated with one of Simmons' companies has donated \$18,500 to McCain committees.

The anti-Obama ad that Simmons funded notes that the Sept. 11 hijackers failed to crash one of the hijacked jets into the Capitol but that 30 years earlier the Weather Underground detonated a bomb in it. "Why would Barack Obama be friends with someone who bombed the Capitol and is proud of it?" the ad asks.

Ayers was never prosecuted for any of the Weather Underground bombings; charges were dropped because of prosecutorial misconduct.

Under federal law, it would be illegal for McCain to have had a hand in the ad, and McCain's campaign has denied involvement.

Obama attorney Robert F. Bauer charged in a letter to the Justice Department that the American Issues Project is engaging in a "willful attempt to evade the strictures of federal election law."

The group claims tax-exempt status.

Bauer noted that the law limits the ability of such committees to expressly advocate for the defeat or election of a candidate.

Instead, he charged, the group should be operating as a political organization.

Federal law, however, caps the size of donations to such groups, a restriction that would have precluded Simmons from donating \$2.87 million.

"We urge and expect the Department of Justice to fulfill its commitment to take prompt, vigorous action to enforce against criminal violations of the campaign finance laws," Bauer wrote in his letter.

Separately, Obama's attorneys are demanding that television stations spike the spot. They say the ad is "demonstrably false" and labeled it a "crude, disreputable and malicious attempt to link Sen. Obama to domestic terrorist activities."

Pinkston, the American Issues consultant, scoffed at the charges, saying: "These people need to study election law. It is totally legal. You can be sure we waited and waited and waited it again."

dan.morain@latimes.com

Times researcher Maloy Moore contributed to this report.

LOAD-DATE: August 23, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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13044333624

13044333625

# EXHIBIT I



washingtonpost.com

## Group With Swift Boat Alumni Readies Ads Attacking Obama

By Matthew Mosk and Chris Cillizza  
Washington Post Staff Writers  
Sunday, September 14, 2008; A07

A new group financed by a Texas billionaire and organized by some of the same political operatives and donors behind the Swift Boat Veterans for Truth campaign against Sen. John F. Kerry in 2004 plans to begin running television ads attacking Barack Obama, a signal that outside groups may play a larger role than anticipated in the closing days of the presidential race.

The American Issues Project has amassed a multimillion-dollar fund, and the group is putting the final touches on an eleventh-hour campaign targeting the Democratic presidential nominee, sources said.

"We expect to be doing both issues and exposure advocacy between now and November and beyond," said Christina Pimiston, a spokesman for the group.

The effort could mark a sharp turn in what has been an unusually quiet year for outside political groups. At this point in 2004, such groups had already spent about \$100 million dollars on television commercials attacking Kerry (D-Mass.) and President Bush, but they have devoted \$8 million to ads so far in this election cycle.

The resurgence on the right appears as though it will not go unanswered. The Service Employees International Union is set to unveil a multimillion-dollar television campaign on Monday, and other liberal and Democratic-aligned groups are rushing to establish financing for efforts over the final weeks of the campaign.

At the outset of the general election, both Obama and Republican nominee John McCain called on outside groups to stay on the sidelines, hoping to steer funds to their own campaigns and party committees. Several initial attempts to organize independent groups for the 2008 presidential contest fizzled early on. But as the back and forth has grown more intense in recent weeks, both campaigns have signaled that their opposition to such efforts is softening.

AIP emerged on the scene in August, airing controversial anti-Obama ads in four battleground states -- Virginia, Ohio, Pennsylvania and Michigan -- that sought to raise questions about his ties to William Ayers, a member of the Vietnam War-era radical group known as the Weathermen. The ad was sponsored entirely -- at a cost of more than \$2 million -- by Harold Simmons, a Dallas-based businessman who also helped fund the Swift boat activities four years ago.

The new group was launched by Chris LaCivita, who was intimately involved in the Swift boat campaign, and Tony Feather, one of the co-founders of Progress for America, which spent tens of millions backing Bush in 2004.

Advertisement

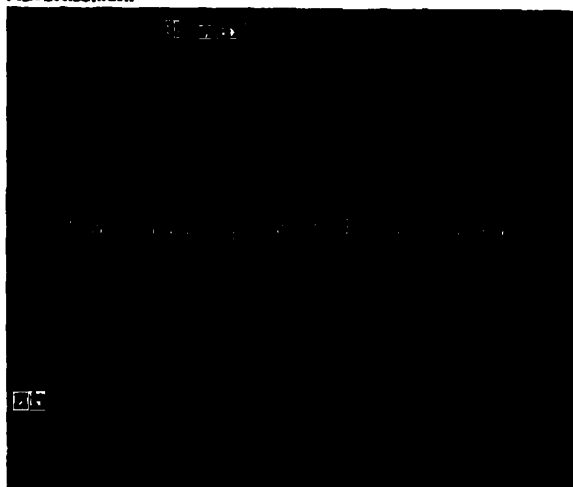


EXHIBIT I

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According to sources familiar with AIP, it has secured significant financial backing from a handful of major donors and is planning more ads like the Ayers commercial in the weeks between now and Election Day.

Four years ago, mid-September might have been too late to organize for November. But the rules for outside groups changed after a recent Supreme Court opinion that loosened restrictions on corporate and union electioneering within 60 days of the general election. That enabled groups such as AIP, which is organized as a nonprofit corporation, more leeway to launch last-minute attack ads.

On the Democratic side, much of that effort appears to be falling to labor unions and a handful of well-known advocacy groups such as MoveOn.org and the Sierra Club. In the spring, a coalition of liberal groups that included the AFL-CIO announced plans to spend \$350 million on political activities during the 2008 campaign season, but they have been slow in coming together.

Ilyse Hogue, the campaign director for MoveOn.org confirmed that the group will spearhead an ad campaign focused on what has emerged as the central theme of the fall campaign, the question of which candidate is better equipped to bring change to Washington.

"The fight is over whose plan for change is real, whose is genuine. And we're looking to put that in front of voters," Hogue said. "When you look at McCain and [GOP vice presidential nominee Sarah] Palin's ties to Big Oil, it doesn't pass the laugh test that they are for change."

Having spent recent elections warning conservative groups bombard Democratic candidates by raising a disciplined message to the television and talk radio airwaves, the leaders of several major left-leaning groups said they are ready to answer back.

"After years of watching the other side do this, it's finally something we've really gotten strong at," Hogue said.

But Republicans appear to have a head start. In April, Simmons, a corporate tycoon who had spent heavily on the Swift boat campaign, began holding meetings with other Swift boat donors to discuss renewing their effort for 2008—meetings that included input from Bush's former strategist, Karl Rove.

At one of the meetings, Simmons presented his plans to oilman T. Boone Pickens, another financier of the Swift boat efforts, at a gathering in Simmons's Dallas office, Pickens said. Pickens ultimately chose not to get involved but said several others decided to forge ahead. Rove is not directly involved in the American Issues Project but has provided advice to a group targeting Democratic candidates for the Senate and House, known as Freedom's Watch.

American Issues Project is organized as a qualified 501(c)4 under Internal Revenue Service guidelines. As such an entity, AIP must use 50 percent of all its funding to make issues-based appeals but can use the remaining 40 percent to directly advocate for or against the election of a candidate. Any money spent for express advocacy must be reported through the Federal Election Commission, meaning that donors to the group will eventually have their identities revealed.

[View all comments](#) that have been posted about this article.

Post a Comment

13044333628

# EXHIBIT J

## First Phase of Ad Campaign Wraps Up

[ Print ]

Friday, 29 August 2008

After running 7,307 times in 14 markets, the American Issues Project today wraps up its first phase of a television advertising issue campaign, which called into question the longstanding relationship between Barack Obama and unrepentant 1960's domestic terrorist, William Ayers. "American Issues Project clearly has struck a nerve inside the Obama campaign, but even more important is the reaction of the American people, who are starting to question why Sen. Obama would have such a close relationship with an unrepentant domestic terrorist," said Ed Martin, American Issues Project president.

The heavy-handed response of the Obama campaign definitely misfired. The more the Obama campaign has tried to bully the ad off the air with its spurious legal threats and intimidation, the more voters have wondered what he has to hide.

The ad examines the connection between Sen. Obama and domestic terrorist William Ayers, co-founder of the violent, radical Weather Underground movement that "declared war on America" and successfully bombed the U.S. Capitol, Pentagon, police stations and other targets across the nation. Ayers has not only trumpeted his role in the bombings, he is unrepentant. On September 11th, 2001, the New York Times reported him saying, "I don't regret setting bombs I feel we didn't do enough."

The ad drew a massive and disproportionate response from the Obama campaign, which demanded the Department of Justice prosecute the organization and its donors, threatened stations running the ad in an attempt to compel them to pull the spot and other efforts to "kill the messenger." Notably, the effort was unsuccessful in getting a single station to pull the ad. The Obama campaign sponsored its own paid ad in response, which fails to dispute a single fact the American Issues Project has put forth.

Sen. Obama defends his friend Ayers as "respectable" and "mainstream." The two worked closely together on several boards including for an organization that Ayers founded and Obama chaired. Sen. Obama's political career was even launched at an event hosted by Ayers in his own home.

American Issues Project has as one of its primary purposes protecting America's role in the world and assuring a strong national defense. The Ayers-Obama connection raises an important issue that is directly related to AIP's purposes and which AIP will continue in coming months, and years, to promote.

The American Issues Project's ad aired 7,307 times from August 21 - 29 on 69 stations in 14 markets within Michigan, Ohio, Pennsylvania and Virginia. The total ad buy was \$2.8 million, making it the largest third-party expenditure to date in this election cycle. The ad

EXHIBIT J

1304433629

impressions in each market were:

### Pennsylvania

- Pittsburgh, 402x
- WB-Scranton, 497x

### Michigan

- Grand Rapids, 551x
- Flint, 591x
- Lansing, 625x
- Traverse City, 547x

### Virginia

- Norfolk, 409x
- Richmond, 432x
- Roanoke, 411x

### Ohio

- Columbus, 592x
- Cincinnati, 576x
- Dayton, 521x
- Toledo, 563x
- Youngstown, 590x

 SEND TO A FRIEND

Close Window

1304433631

# EXHIBIT K

7 of 17 DOCUMENTS

Associated Press Worldstream

August 27, 2008 Wednesday 12:08 AM GMT

## Obama, conservative group battle through DOJ

**BYLINE:** By JIM KUHNHENN, Associated Press Writer

**SECTION:** POLITICAL NEWS

**LENGTH:** 751 words

**DATELINE:** DENVER

Barack Obama and a conservative group have escalated their fight over the group's TV commercial linking him to a 1960s radical, by firing off dueling letters to the Department of Justice.

The Obama camp argued that the organization, the American Issues Project, is violating the law. The group cited a Supreme Court ruling to argue it is allowed to air the ad, which links Obama to 1960s radical William F. Buckley Jr.

American Issues Project is a 501(c)(4) nonprofit corporation. Such organizations are allowed to air political ads, provided the federal government determines that the group's primary purpose is not political.

The group filed a document with the Federal Election Commission last week identifying Texas billionaire Harold Simmons as the lone financier of the ad, contributing nearly \$2.9 million to produce and air it. Simmons is a fundraiser for John McCain and was one of the major contributors to the Swift Boat Veterans for Truth, which aired ads in 2004 against John Kerry.

The confrontation pits two of Washington's prominent campaign finance lawyers against each other: Robert Bauer for Obama and Oleta Mitchell for the American Issues Project.

"This is an organization with no known other activities, no known financial support of any significance," Bauer wrote.

Mitchell replied: "The majority of AIP's annual expenditures are not political expenditures but are devoted to grassroots lobbying and education on issues, public policies and other communications, activities and programs appropriate to a 501(c)(4) social welfare organization in accordance with all applicable provisions of the Internal Revenue Code."

AIP spokesman Christian Pinkston said the group has raised what he called "significant" sums of money from a number of individual donors to carry out its lobbying and education functions. He said the group formed last year but did not have any financial activity until this year. A 501(c)(4) corporation is not required to divulge the identity of its donors except when it airs a political ad.

"They're going all of these routes through threats, intimidation to try to thwart the First Amendment here because they don't have an argument on merit," Pinkston said.

Bauer also argued that if Simmons' \$2.9 million contribution was for political purposes, then he exceeded federal contribution limits. He urged the Department of Justice to intervene because the ads "violate the law in both directions both in the raising and the expenditure of the funds."

EXHIBIT K

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Mitchell wrote in response: "Surely we have not come to a point where the government and its agencies are used to protect presidential candidates from citizens' speech, essentially denaturing the very purpose, meaning and historical essence of the First Amendment."

As the fight escalated, the University of Illinois at Chicago released documents about Obama's work for a school reform group linked to Ayers, but details about their interactions were scant in minutes from some early board meetings.

Ayers, who teaches at the university, has a controversial past that some McCain supporters want to highlight because of his past work with Obama. Ayers helped found the Weather Underground organization that took responsibility for a series of bombings, including nonfatal blasts at the Pentagon and U.S. Capitol four decades ago.

Obama and Ayers both attended some 1995 board meetings of the Chicago Annenberg Challenge, which Ayers was instrumental in starting and Obama chaired in the 1990s.

The organization's meeting minutes show that during a June 1995 meeting, Ayers was credited with having "worked diligently" to suggest the board and the collaborative. But more than a year later, Obama pushed the group to be bolder in its reforms. Minutes from an October 1996 gathering show Obama raised questions about what the group should be doing.

"At the end of five years, will we have broken the mold? Not much seems to be bubbling up that is inspiring or substantive," the minutes say, paraphrasing Obama.

The Associated Press was among several news organizations reviewing the records released by the university. UIC set up appointments for more than a dozen journalists who wanted to review them.

Obama has said he "deplored" what Ayers did in the 1960s and that "by the time I met him, he is a professor of education at the University of Illinois. We worked on a board together that had Republicans, Democrats, lawyers, focused on education."

Associated Press writers Deanna Belland and John O'Gonor in Chicago contributed to this report.

LOAD-DATE: August 27, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Nowswire

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1304433634

# EXHIBIT L

8 of 17 DOCUMENTS

The Associated Press

August 26, 2008 Tuesday

**Obama seeks to silence ad tying him to 60s radical****BYLINE:** By JIM KUHNHENN, Associated Press Writer**SECTION:** POLITICAL NEWS**LENGTH:** 866 words**DATELINE:** DENVER

Barack Obama is striking back fiercely and swiftly to stamp out an ad that links him to a 1960s radical, eager to demonstrate a far more aggressive response to attacks than John Kerry did when faced with the 2004 "Swift Boat" campaign.

Obama not only aired a response ad to the spot linking him to William Ayers, but he sought to block stations the commercial by warning station managers and asking the Justice Department to intervene. The campaign also planned to compel advertisers to pressure stations that continue to air the anti-Obama commercial.

It's the type of going-for-the-jugular approach to politics many Democrats complain that Kerry lacked and that Republicans exploit.

Obama's target is an ad by the conservative American Issues Project, a nonprofit group that questions Obama's ties to Ayers, a founder of the Weather Underground organization that took credit for a series of bombings, including nonfatal explosions at the Pentagon and U.S. Capitol four decades ago.

The lone financier of the anti-Obama ad, Texas billionaire Harold Simmons, was also one of the main funders of the Swift Boat Veterans for Truth who targeted Kerry. Simmons, a McCain fundraiser, contributed nearly \$2.9 million to the American Issues Project, according to documents filed by the group with the Federal Election Commission.

Fox News and CNN have declined to air the anti-Obama ad. But by Monday afternoon, the ad had run about 150 times in local markets in Pennsylvania, Ohio, Virginia and Michigan, according to Evan Tracey, head of TNS Media Intelligence/Campaign Media Analysis Group, an ad tracking firm.

Obama spokesman Tommy Vietor said Obama supporters have inundated stations that are airing the ad, many of them owned by Sinclair Communications, with 93,000 e-mails. He called the ad false, despicable and outrageous.

"Other stations that follow Sinclair's lead should expect a similar response from people who don't want the political discourse cheapened with these false, negative attacks," Vietor said.

Sinclair offices were closed late Monday and officials there could not be immediately contacted.

"It seems they protest a bit too much," American Issues Project spokesman Christian Pinkston said. "They're going all of these routes through threats, intimidation to try to thwart the First Amendment here because they don't have an argument on merit."

**EXHIBIT L**

1304433635

Obama seeks to silence ad tying him to 60s radical The Associated Press August 26, 2008 Tuesday

Ayers is now a professor at the University of Illinois at Chicago. He and Obama live in Chicago's Hyde Park neighborhood and served together on the board of the Woods Fund, a Chicago-based charity that develops community groups to help the poor. Obama left the board in December 2002.

Obama also was the first chairman of the Chicago Annenberg Challenge, a school reform group of which Ayers was a founder. Ayers also held a meet-the-candidate event at his home for Obama when Obama first ran for office in the mid-1990s.

Obama has denounced Ayers' past activities.

"Barack Obama is friends with Ayers, defending him as, quote, 'Respectable' and 'Mainstream,'" the group's ad states. "Obama's political career was launched in Ayers' home. And the two served together on a left-wing board. Why would Barack Obama be friends with someone who bombed the Capitol and is proud of it? Do you know enough to elect Barack Obama?"

In a letter to station managers, Obama campaign lawyer Robert Bauer wrote: "Your station is exempted to operating in the public interest, an objective that cannot be satisfied by accepting for compensation material of such malicious falsity."

Bauer also wrote to Deputy Assistant Attorney General John C. Kenney, noting that the ad is a "knowing and willful attempt to evade the strictures of federal election law."

The campaign's aggressive tactics could draw more attention to a subject the campaign wants to go away. On Tuesday, the University of Illinois at Chicago will make available records of Obama's service on the board of the Chicago Annenberg Challenge. The group was set up to improve the city's schools. The documents could shed further light on whether Obama and Ayers had a relationship.

The American Issues Project is a 501(c)(4) nonprofit corporation. It is permitted by law to air a political ad provided that the majority of its spending is nonpolitical, it cannot accept money from corporations and it must identify the donors that finance its ads in reports to the Federal Election Commission. Pinkston said the group has set aside money to carry out non-election related work to meet the legal requirements. It filed a report identifying Skramons as its sole donor for the ad last week.

In the Obama campaign's own response ad, an announcer states: "With all our problems, why is John McCain talking about the 60s, trying to link Barack Obama to radical Bill Ayers. McCain knows Obama denounced Ayers' crimes, committed when Obama was just 8 years old."

The McCain campaign cannot coordinate efforts with outside groups. But the campaign took advantage of being the target of the response ad.

"The fact that Barack Obama chose to launch his political career at the home of an unrepentant terrorist raises more questions about Senator Obama's judgment than any TV ad ever could," said McCain spokesman Brian Rogers.

LOAD-DATE: August 26, 2008

LANGUAGE:

PUBLICATION-TYPE:

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# EXHIBIT M

## **THE WALL STREET JOURNAL**

WSJ.com

OCTOBER 8, 2008

# **Group's Ad Blames Crisis on Democrats**

By BRODY MULLINS and T.W. FARNAM

WASHINGTON — A conservative political organization will begin airing nationwide TV advertisements Wednesday that criticize congressional Democrats for their ties to mortgage giants Freddie Mac and Fannie Mae, an early example of what will likely be a flood of spots running up to Election Day focused on the financial crisis.

The group sponsoring the \$1 million advertising buy, the American Issues Project, is the same organization that spent nearly \$3 million on a television campaign to tie Democratic presidential candidate Barack Obama to former radical William Ayers.

Spending by such outside political organizations in the 2008 election hasn't matched the pace of 2004, when dozens of groups spent hundreds of millions of dollars. The ads from the American Issues Project are among the first by a conservative organization to blame Democrats for the financial crisis.

"Chris Dodd takes big money from Fannie and Freddie," a narrator says in the ad. "Dodd kills reform and secures a sweetheart mortgage for himself." The ad concludes: "Who should you trust on the economy?"

News reports have said Sen. Dodd, the chairman of the Senate Banking Committee, received a below-market rate on his mortgage from Countrywide Financial, but he has said those reports are false and he got no special deal from the company.

"This is just another right-wing attack group with a serious case of amnesia," said Bryan DeAngelis, a spokesman for Sen. Dodd.

The advertisement also names Senate Majority Leader Harry Reid, a Nevada Democrat. Jim Manley, a spokesman for Mr. Reid, said the ad was "ridiculous, just a tad bit desperate, and obviously an attempt by Republicans to divert attention from the very serious issues facing the country."

Write to Brody Mullins at [brody.mullins@wsj.com](mailto:brody.mullins@wsj.com)

**EXHIBIT M**

13044333639

# EXHIBIT N

**Political Organization  
Notice of Section 527 Status**

OMB No. 1545-1003

**Part I General Information**

1 Name of organization  
American Leadership Project

Employer identification number  
33 - 1203819

2 Mailing address (P.O. box or number, street, and room or suite number)

2261 Market Street, PMB 319

City or town, state, and ZIP code

San Francisco, CA 94114

3 Check applicable box: ☒ Initial notice ☐ Amended notice ☐ Final notice

4a Date established  
02/15/2008

4b Date of material change

5 E-mail address of organization  
no@email

6a Name of custodian of records  
Nancy Weston

6b Custodian's address  
2261 Market Street, PMB 319  
San Francisco, CA 94114

7a Name of contact person  
Roger V. Salazar

7b Contact person's address  
1005 12th Street, Suite A  
Sacramento, CA 95814

8 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number

2261 Market Street, PMB 319

City or town, state, and ZIP code

San Francisco, CA 94114

9a Election authority

9b Election authority identification number

NONE

**Part II Notification of Claim of Exemption From Filing Certain Forms (see instructions)**

10a Is this organization claiming exemption from filing Form 8872, Political Organization Report of Contributions and Expenditures, as a qualified state or local political organization? Yes ☐ No ☒

10b If 'Yes,' list the state where the organization files reports:

11 Is this organization claiming exemption from filing Form 990 (or 990-EZ), Return of Organization Exempt from Income Tax, as a chapter or association of state or local officials? Yes ☐ No ☒

**Part III Purpose**

12 Describe the purpose of the organization

Section 527 political committee

**EXHIBIT N**

1304433640

**Part IV List of All Related Entities (see instructions)**

13 Check if the organization has no related entities. ☒

14a Name of related entity	14b Relationship	14c Address
----------------------------	------------------	-------------

**Part V List of All Officers, Directors, and Highly Compensated Employees (see instructions)**

15a Name	15b Title	15c Address
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Roger V. Salazar	President	1005 12th Street, Suite A Sacramento, CA 95814
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Under penalties of perjury, I declare that the organization named in Part I is to be treated as a tax-exempt organization described in section 527 of the Internal Revenue Code, and that I have examined this notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that I am the official authorized to sign this report, and I am signing by entering my name below.

Roger V. Salazar

02/15/2008

**Sign  
Here**



\_\_\_\_\_  
Name of authorized official



\_\_\_\_\_  
Date

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# EXHIBIT O

washingtonpost.com

## Independent Group to Air TV Ads Echoing Clinton Attacks on Obama

Advertisement

By Matthew Mosk  
Washington Post Staff Writer  
Thursday, February 21, 2008; A07

As Sen. Hillary Rodham Clinton launches fresh attacks on Sen. Barack Obama after a string of electoral defeats, several of her major financial backers have formed an independent group to air television advertisements echoing her message that she is more qualified than Obama to fix the economy.

In the group's first ad, the television image shows a shuttered factory and a home in foreclosure, and a voiceover says: "If speeches could create jobs, we wouldn't be facing a recession." The criticism of "speeches" closely mirrors a line of attack Clinton has used against Obama.

The decision to launch the independent group, known as a "527" because of its tax code designation, coincides with an increasingly aggressive approach being taken by Clinton in advance of March 4 contests in Ohio and Texas that could determine the Democratic nominee. The Obama campaign compared the effort to the "Swift boat" ads that helped sink Democratic Sen. John F. Kerry's 2004 presidential bid.

Supporters of the group, called the American Leadership Project, said yesterday that they decided to undertake the effort late last month, when Clinton was forced to lend her campaign \$5 million to try to minimize Obama's large fundraising advantage. Unlike a political campaign, the group can accept as much as money as supporters want to give.

Campaign finance reports filed yesterday showed that Obama outdid Clinton in fundraising last month, collecting \$36 million. Clinton's campaign said she will report raising \$13.9 million. And while Clinton finance officials said yesterday that this month has been the campaign's strongest month for fundraising, there are signs that she continues to lag behind Obama. While Clinton aides reported raising \$1 million a day during the first half of the month, an Obama adviser described one recent day that yielded \$2.4 million. And in an e-mail Clinton sent to supporters yesterday, she said she was outspent 4 to 1 on television ads in Wisconsin, where she lost decisively on Tuesday.

Though the independent ads could help bring greater parity on television for the Clinton campaign in Texas and Ohio, where they are set to air, they may carry a steep price for the entity behind them. Such a group faces tight federal restrictions on how it can operate and what it can say in advertising. A 527 cannot have as its primary purpose the election of a candidate, and the law limits it to running ads about issues, not ones that plainly advocate for Clinton's election or defeat. The group cannot have any contact with the Clinton campaign. Violations could subject organizers and donors to stiff fines.

EXHIBIT O

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Campaign finance reform experts said there are troubling aspects in the American Leadership Project's mission. The group is not part of an established effort to exert political influence in Washington, and it first officially surfaced in filings with the Internal Revenue Service on Feb. 15. It is advertising only in states where Clinton faces competitive primary contests. And the content of its first ad strongly hints that its purpose is to support her candidacy and oppose Obama's.

"This pop-up 527 group clearly has been created to spend unlimited soft money to influence the presidential election," said Fred Wertheimer, of the group Democracy 21, after reviewing the ad. "As far as the duck test goes: It looks like a campaign ad; it sounds like a campaign ad; it's a campaign ad."

Jason Kinney, a California political strategist who helped form the group, said its organizers recognized that they are wading into "a new and developing area of the law, but we've taken every step and are as confident as we can be that we are adhering to all of the regulations."

The Obama campaign released a memo yesterday saying that the group has already crossed those lines. "Here we have a committee that springs up on the eve of an election, promotes a specific candidate, and has no history or apparent purpose of lobbying specific issues outside the benefit to the candidate of these communications," the memo states. "Its 'major purpose' is no mystery."

The undertaking could also prove embarrassing. One of the group's founders, New York political strategist Paul Rivera, is a veteran of the Clinton White House and Kerry's presidential campaign. But a year ago, he reached out to Obama's campaign for consulting work. In a Feb. 23, 2007, memo that he sent to the campaign, Rivera described Clinton's candidacy as "doing the same, old traditional politics," and he added that "Senator Obama has a potent change message and is clearly a superior political talent."

Rivera confirmed yesterday that the memo was his, but he declined to comment on it. Kinney said all he knew about Rivera was that "he cares about the same issues we care about." He would not identify any of the group's financial patrons.

Roger V. Salazar, a Clinton administration official who is the group's designated spokesman, used carefully selected language to describe the undertaking.

"We want to communicate to people where they're paying the most attention right now. Right now, that's Ohio and Texas," he said. "Senator Clinton is a recognized champion of these issues, and we support her positions on health care, the mortgage crisis, the economy, and we say so in the spots. These are positive ads that serve to raise awareness about the issues."

The independent effort, first exposed on political blogs run by the Atlantic magazine and ABC News, came as candidates filed reports to the Federal Election Commission detailing their January fundraising efforts. Obama (Ill.), Clinton (N.Y.) and Republican Sen. John McCain (Ariz.) showed dramatic increases in the amounts they raised and spent in January, the first month when they faced caucus and primary contests.

Obama's report indicated that he spent nearly \$30 million last month, including \$7.8 million on television ads in the final week, as he approached Super Tuesday. Obama finished the month with \$18.9 million in cash and \$1.1 million in outstanding payments.

Clinton's \$27.6 million in spending left her with \$8.6 million in the bank and \$7.5 million in debts.

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McCain's report showed that he spent \$10.3 million of the \$11.6 million he raised, much of it on television ads and automated telephone calls. He finished the month with \$5.2 million in cash and \$5.5 million in debts.

Former ~~Arkansas~~ governor Mike Huckabee (R) raised just under \$4 million last month, most of it on the heels of his victory in the Iowa caucuses. He spent \$4.9 million, leaving him with just under \$1 million.

*Database editor Sarah Cohen, staff researcher Madonna Lebling and research editor Alice Crites contributed to this report.*

**Post a Comment**

**[View all comments](#)** that have been posted about this article.

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# EXHIBIT P

The New York Times

April 20, 2008 Sunday  
Late Edition - Final

## Facing Obama Fund-Raising Juggernaut, Clinton Seeks New Sources of Cash

BYLINE: By MICHAEL LUO; Griff Palmer contributed reporting.

SECTION: Section A; Column 0; National Desk; Pg. 21

LENGTH: 1450 words

Senator Barack Obama is swamping Senator Hillary Rodham Clinton with television advertising in their prolonged battle for the Democratic nomination, putting fresh pressure on Mrs. Clinton's fund-raising machine to find new sources of money to help her keep pace.

But her big-dollar fund-raising apparatus that was once the envy of the political world is encountering obstacles as many of those in its regular networks of donors have reached the maximum on their personal contributions or grown tired of the relentless press for donations.

The campaign is actively hunting for new wellsprings of cash, while tapped-out donors who want to give more are contemplating financing independent efforts on her behalf that are not bound by contribution limits. So far, however, the independent efforts have been halting at best.

The scramble for fresh resources comes as the money gap between the two candidates is growing. In March, largely because of a continued advantage in small donations given over the Internet, Mr. Obama was able to raise twice what Mrs. Clinton brought in, collecting \$40 million compared with her \$20 million. He has been spending it freely in Pennsylvania, hoping to stymie Mrs. Clinton in a contest that could determine whether she stays in the race.

In the weeks leading up to Tuesday's primary, Mr. Obama has spent more than double Mrs. Clinton's budget on television advertising — \$8.1 million to her \$3.2 million, according to the most recent figures available from the Campaign Media Analysis Group, which tracks advertising spending. And with two weeks before more primaries on May 6, Mr. Obama is spending four times Mrs. Clinton's television budget in Indiana and double her North Carolina total.

The Obama fund-raising juggernaut has some of Mrs. Clinton's most devoted supporters worried and searching for a new way to support her candidacy. Alan Patricof, a national finance chairman for Mrs. Clinton, said four people had called him in the past month to discuss starting a so-called 527 group — named for the section of the tax code the groups are organized under — on her behalf.

"These are people who have maxed out to Hillary and would like to do a lot more but know they cannot do it through the campaign and thus are looking for other legal ways to give and raise more money under a different status," Mr. Patricof said. "As I have pointed out, once they do that, they can no longer participate in the finance committee call and they have to do it outside and away from the campaign itself."

Such groups are potentially attractive for affluent donors because contributions are not capped as they are

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But this time, she said, she did not ask for people to bundle contributions of \$10,000, \$25,000 or \$50,000 at a time, as she had done in the past. Instead, she invited a broader circle of people who were asked to cobble together amounts like \$3,000 or \$5,000. She also opened the event to children, which resulted in mothers bringing their daughters. The event grossed \$250,000, she said.

Discussions about independent efforts cropped up this year among Clinton backers, when the campaign found itself essentially in the red leading up to the crush of states that voted on Feb. 5, forcing Mrs. Clinton to lend her campaign \$5 million.

Mrs. Clinton has not denounced the groups, though this year her campaign accused Mr. Obama of hypocrisy for what they said was his muted response to a 527 group advertising on his behalf after he had decried the influence of such groups.

The campaign's fund-raising has since improved, driven by its own surge in online donations. But with Mr. Obama raising and spending so much, the conversations have surfaced anew.

"These are very smart people who are being very thoughtful about it," said Ms. Dazoretz, a former finance chairwoman of the Democratic National Committee.

One idea considered by some Clinton supporters has been a 527 effort to press for the delegates to be seated in Florida and Michigan, but it has yet to get off the ground.

Despite a pre-emptive warning from Robert Bauer, a campaign finance expert and lawyer for Mr. Obama's campaign, the organizers of the American Leadership Project have phoned ahead.

The group is filled with people who have ties to the Clintons: Roger Salazar, who worked in the press operation of the Clinton White House and is a political consultant in California, and Paul Rivera, another former Clinton White House staff member and senior political adviser for Senator John Kerry's presidential campaign in 2004 who worked on Mrs. Clinton's Senate campaign in 2000.

Jay Eisenhofer, a lawyer in New York who raised at least \$100,000 for Mrs. Clinton, making him a "hillraiser," gave \$50,000 to the group. Richard Ziman, another hillraiser and Los Angeles real estate magnate, contributed \$15,000, and William Tishman, a former Pennsylvania lobbyist and longtime Clinton fund-raiser who gave enough to spend a night in the Lincoln Bedroom, contributed \$10,000 and has helped the group raise money.

URL: <http://www.nytimes.com>

LOAD-DATE: April 20, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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# EXHIBIT Q

Form  
(November 2002)

8872

# Political Organization Report of Contributions and Expenditures

OMB No. 1545-1696

Department of the Treasury  
Internal Revenue Service

► See separate instructions.

A For the period beginning 02/15/2008

and ending 03/31/2008

B Check applicable box: ☒ Initial report ☐ Change of address ☐ Amended report ☐ Final report

1 Name of organization  
American Leadership Project

Employer identification number  
33 - 1203819

2 Mailing address (P.O. box or number, street, and room or suite number)  
2261 Market Street, PMB 319

City or town, state, and ZIP code  
San Francisco, CA 94114

3 E-mail address of organization:  
no@email

4 Date organization was formed:  
02/15/2008

5a Name of custodian of records  
Nancy Warren

5b Custodian's address  
2261 Market Street, PMB 319  
San Francisco, CA 94114

6a Name of contact person  
Roger V. Salazar

6b Contact person's address  
1005 12th Street, Suite A  
Sacramento, CA 95814

7 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number  
2261 Market Street, PMB 319

City or town, state, and ZIP code  
San Francisco, CA 94114

8 Type of report (check only one box)

- ☒ First quarterly report  
(due by April 15)
- ☐ Second quarterly report  
(due by July 15)
- ☐ Third quarterly report  
(due by October 15)
- ☐ Year-end report  
(due by January 31)
- ☐ Mid-year report (Non-election  
year only due by July 31)

- ☐ Monthly report for the month of:  
(due by the 20th day following the month shown above, except the  
December report, which is due by January 31)
- ☐ Pre-election report (due by the 12th or 15th day before the election)  
(1) Type of election:  
(2) Date of election:  
(3) For the state of:
- ☐ Post-general election report (due by the 15th day after general election)  
(1) Date of election:  
(2) For the state of:

9 Total amount of reported contributions (total from all attached Schedules A).....9. \$ 1161485

10 Total amount of reported expenditures (total from all attached Schedules B).....10. \$ 790007

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Nancy L. Warren

04/15/2008

Sign  
Here

► Signature of authorized official

► Date

EXHIBIT Q

13044333651

**Schedule A Itemized Contributions****Schedule A**

<b>Contributor's name, mailing address and ZIP code</b> Democrats for the Future 20 Park Road Suite E Burlingame, CA 94010	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Dain Rauscher Inc. 1900 K Street NW Ste 750 Washington, DC 20006	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Norma Hest 625 Park Avenue New York, NY 10011	<b>Name of contributor's employer</b> Not employed <b>Contributor's occupation</b> Not employed <b>Aggregate contributions year-to-date</b> \$ 2000	<b>Amount of contribution</b> \$ 2000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Amer Federation of State County Munic Emps AFSCME 1625 L Street Washington, DC 20036 - 5687	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 1000000	<b>Amount of contribution</b> \$ 1000000 <b>Date of contribution</b> 02/29/2008
<b>Contributor's name, mailing address and ZIP code</b> Monica Graham 20 Borden Lane East Hampton, NY 11937	<b>Name of contributor's employer</b> Graham Partners <b>Contributor's occupation</b> Investment <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Richard Wolbeck PO Box 3989 Napa, CA 94558	<b>Name of contributor's employer</b> Premier Pacific Vineyards <b>Contributor's occupation</b> Vintner <b>Aggregate contributions year-to-date</b> \$ 2500	<b>Amount of contribution</b> \$ 2500 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Olive Watson 7305 Belle Meade Island Miami, FL 33138	<b>Name of contributor's employer</b> Self-employed <b>Contributor's occupation</b> Realtor <b>Aggregate contributions year-to-date</b> \$ 1000	<b>Amount of contribution</b> \$ 1000 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> Cecia Steinbrun 4602 Iris Street Rockville, MD 20853	<b>Name of contributor's employer</b> US Dept of Commerce NOAA <b>Contributor's occupation</b> Computer Specialist <b>Aggregate contributions year-to-date</b> \$ 250	<b>Amount of contribution</b> \$ 250 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> Selman Aslar 255 W 17th St 4th New York, NY 10011	<b>Name of contributor's employer</b> IMC <b>Contributor's occupation</b> Physician <b>Aggregate contributions year-to-date</b> \$ 250	<b>Amount of contribution</b> \$ 250 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> William A.K. Tischman 3303 Water Street NW 8N Washington, DC 20007	<b>Name of contributor's employer</b> Bernstein Liebhard & Lieblich LLP <b>Contributor's occupation</b> Attorney <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/22/2008

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<b>Contributor's name, mailing address and ZIP code</b> Michele Dunkerley PO Box 1220 Mercer Island, WA 98040	<b>Name of contributor's employer</b> Prossa Verde <b>Contributor's occupation</b> President and Publisher <b>Aggregate contributions year-to-date</b> \$ 20000	<b>Amount of contribution</b> \$ 7000 <b>Date of contribution</b> 02/21/2008
<b>Contributor's name, mailing address and ZIP code</b> Michele Dunkerley PO Box 1220 Mercer Island, WA 98040	<b>Name of contributor's employer</b> Prossa Verde <b>Contributor's occupation</b> President and Publisher <b>Aggregate contributions year-to-date</b> \$ 20000	<b>Amount of contribution</b> \$ 13000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Paul Goldenborg 1963 Tumin Road La Habra Heights, CA 90631	<b>Name of contributor's employer</b> Paul's TV <b>Contributor's occupation</b> Owner <b>Aggregate contributions year-to-date</b> \$ 15000	<b>Amount of contribution</b> \$ 15000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Stephen P. Kennedy 233 Home Place Glenwood Springs, CO 81601	<b>Name of contributor's employer</b> Kennedy Construction Ltd. <b>Contributor's occupation</b> Owner <b>Aggregate contributions year-to-date</b> \$ 25000	<b>Amount of contribution</b> \$ 25000 <b>Date of contribution</b> 02/21/2008
<b>Contributor's name, mailing address and ZIP code</b> Jay Eisenhofer 485 Lexington Avenue 29th FL New York, NY 10017	<b>Name of contributor's employer</b> Grant & Eisenhofer <b>Contributor's occupation</b> Founder and Managing Partner <b>Aggregate contributions year-to-date</b> \$ 50000	<b>Amount of contribution</b> \$ 50000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Jane Hickie 1150 Saxon Way Menlo Park, CA 94025	<b>Name of contributor's employer</b> Stanford University <b>Contributor's occupation</b> Staff <b>Aggregate contributions year-to-date</b> \$ 5000	<b>Amount of contribution</b> \$ 5000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Aggregate Below Threshold 2261 Market Street, PMB 319 San Francisco, CA 94114	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 485	<b>Amount of contribution</b> \$ 485 <b>Date of contribution</b> 03/31/2008

<b>Schedule B</b>	<b>Schedule B</b>
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**Itemized Expenditures**

<b>Recipient's name, mailing address and ZIP code</b> Davis Group Inc 3601 S Congress Ave B-100 Austin, TX 78701	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 513354 <b>Date of expenditure</b> 02/29/2008
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**Purpose of expenditure**  
TV airtime

<b>Recipient's name, mailing address and ZIP code</b> Buying Time 2715 M Street NW Washington, DC 20007	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 144000 <b>Date of expenditure</b> 03/03/2008
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**Purpose of expenditure**  
TV airtime

<b>Recipient's name, mailing address and ZIP code</b> SeeChange LLC 8609 West Knoll Drive West Hollywood, CA 90089	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 30942 <b>Date of expenditure</b> 02/22/2008
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**Purpose of expenditure**  
TV ad production

<b>Recipient's name, mailing address and ZIP code</b> Point of View Productions 400 Garden Drive Exton, PA 19341	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 33000 <b>Date of expenditure</b> 03/03/2008
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**Purpose of expenditure**  
TV ad production

<b>Recipient's name, mailing address and ZIP code</b> Heninger Media Services 2601A Wilson Blvd Arlington, VA 22201	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 1410 <b>Date of expenditure</b> 02/29/2008
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**Purpose of expenditure**  
TV airtime

<b>Recipient's name, mailing address and ZIP code</b> Heninger Media Services 2601A Wilson Blvd Arlington, VA 22201	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 4394 <b>Date of expenditure</b> 03/03/2008
--	--	---

**Purpose of expenditure**  
TV airtime

<b>Recipient's name, mailing address and ZIP code</b> Heninger Media Services 2601A Wilson Blvd Arlington, VA 22201	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 2100 <b>Date of expenditure</b> 03/03/2008
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**Purpose of expenditure**  
TV airtime

<b>Recipient's name, mailing address and ZIP code</b> Carlin Corp 902 Broadway St. 5 New York, NY 10010 - 6002	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 3600 <b>Date of expenditure</b> 03/03/2008
---	--	---

**Purpose of expenditure**  
Stock Photo Images

<b>Recipient's name, mailing address and ZIP code</b> Revolution Media 2564 Overland Avenue Los Angeles, CA 90044	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 2700 <b>Date of expenditure</b> 02/29/2008
--	--	---

**Purpose of expenditure**  
Ohio Nielsen Ratings

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<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Getty Images	NA	\$ 1920
75 Varick Street	Recipient's occupation	Date of expenditure
New York, NY 10013	NA	03/03/2008

**Purpose of expenditure**  
Stock photo images

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Baker Sound Studios Inc	NA	\$ 1068
1821 Rancaval Street	Recipient's occupation	Date of expenditure
Philadelphia, PA 19103 - 3714	NA	03/03/2008

**Purpose of expenditure**  
Voiceover

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
SocChange Media LLC	NA	\$ 4000
8609 West Knoll Drive	Recipient's occupation	Date of expenditure
West Hollywood, CA 90089	NA	03/03/2008

**Purpose of expenditure**  
Commission

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Acosta Salazar LLC	NA	\$ 10251
1005 12th Street	Recipient's occupation	Date of expenditure
Sacramento, CA 95814	NA	02/22/2008

**Purpose of expenditure**  
Campaign consulting

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Jason Kinney	California Strategies	\$ 5000
980 9th Street	Recipient's occupation	Date of expenditure
Sacramento, CA 95814	Consultant	02/22/2008

**Purpose of expenditure**  
Consulting

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Acosta Salazar LLC	NA	\$ 10000
1005 12th Street	Recipient's occupation	Date of expenditure
Sacramento, CA 95814	NA	03/03/2008

**Purpose of expenditure**  
Media relations

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Jason Kinney	California Strategies	\$ 5000
980 9th Street	Recipient's occupation	Date of expenditure
Sacramento, CA 95814	Consultant	03/03/2008

**Purpose of expenditure**  
Consulting

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Jason Kinney	California Strategies	\$ 10000
980 9th Street	Recipient's occupation	Date of expenditure
Sacramento, CA 95814	Consultant	03/19/2008

**Purpose of expenditure**  
Website design and maintenance

<b>Recipient's name, mailing address and ZIP code</b>	<b>Name of recipient's employer</b>	<b>Amount of Expenditure</b>
Warren & Associates LLC	NA	\$ 6140
2261 Market Street, PMB 319	Recipient's occupation	Date of expenditure
San Francisco, CA 94114	NA	03/03/2008

**Purpose of expenditure**  
Accounting services

Recipient's name, mailing address and ZIP code  
Aggregate Below Threshold  
2261 Market Street, PMB 319  
San Francisco, CA 94114

Name of recipient's employer  
NA  
Recipient's occupation  
NA

Amount of Expenditure  
\$ 1128  
Date of expenditure  
03/31/2008

Purpose of expenditure  
Bank fees and misc production cost

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# EXHIBIT R



8872

Form  
(November 2002)Department of the Treasury  
Internal Revenue ServicePolitical Organization  
Report of Contributions and Expenditures

OMB No. 1545-1696

See separate instructions.

A For the period beginning 04/01/2008

and ending 06/30/2008

B Check applicable box: ☒ Initial report ☐ Change of address ☐ Amended report ☐ Final report

1 Name of organization

American Leadership Project

Employer identification number

33 - 1203819

2 Mailing address (P.O. box or number, street, and room or suite number)

2261 Market Street #319

City or town, state, and ZIP code

San Francisco, CA 94114 - 1600

3 E-mail address of organization:

no@email

4 Date organization was formed:

02/19/2008

5a Name of custodian of records

Nancy L. Warren

5b Custodian's address

2261 Market Street PMB 319

San Francisco, CA 94114 - 1600

6a Name of contact person

Jason Kinney

6b Contact person's address

980 9th Street Suite 2000

Sacramento, CA 95814

7 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number

2261 Market Street PMB 319

City or town, state, and ZIP code

San Francisco, CA 94114 - 1600

8 Type of report (check only one box)

☐ First quarterly report  
(due by April 15)☒ Second quarterly report  
(due by July 15)☐ Third quarterly report  
(due by October 15)☐ Year-end report  
(due by January 31)☐ Mid-year report (Non-election  
year only due by July 31)☐ Monthly report for the month of:  
(due by the 20th day following the month shown above, except the  
December report, which is due by January 31)☐ Pre-election report (due by the 12th or 15th day before the election)

(1) Type of election:

(2) Date of election:

(3) For the state of:

☐ Post-general election report (due by the 30th day after general election)

(1) Date of election:

(2) For the state of:

9 Total amount of reported contributions (total from all attached Schedules A).....9. \$ 2297550

10 Total amount of reported expenditures (total from all attached Schedules B).....10. \$ 2555727

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Nancy L. Warren

07/15/2008

Sign  
Here

Signature of authorized official

Date

EXHIBIT R

13044333658

**Schedule A Itemized Contributions****Schedule A****Contributor's name, mailing address and ZIP code**

Alsham, S. Daniel  
777 S Flagler Drive East Tower Suite 1000  
West Palm Beach, FL 33401 - 0000

**Name of contributor's employer**

Slmfast  
Contributor's occupation  
CEO  
Aggregate contributions year-to-date  
\$ 100000

Amount of contribution  
\$ 100000  
Date of contribution  
04/25/2008

**Contributor's name, mailing address and ZIP code**

Aggregated contributions under \$200  
2261 Market Street #908 319  
San Francisco, CA 94114 - 1609

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1050

Amount of contribution  
\$ 1050  
Date of contribution  
06/30/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 200000  
Date of contribution  
04/18/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 250000  
Date of contribution  
04/25/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 100000  
Date of contribution  
05/20/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 260000  
Date of contribution  
05/21/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 150000  
Date of contribution  
05/30/2008

**Contributor's name, mailing address and ZIP code**

Amer Fed of State City Muni Emps AFSCME  
1625 L Street NW  
Washington, DC 20036

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 1160000

Amount of contribution  
\$ 200000  
Date of contribution  
05/02/2008

**Contributor's name, mailing address and ZIP code**

American Federation of Teachers  
555 New Jersey Avenue NW  
Washington, DC 20001 - 0800

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 400000

Amount of contribution  
\$ 300000  
Date of contribution  
04/30/2008

**Contributor's name, mailing address and ZIP code**

American Federation of Teachers  
555 New Jersey Avenue NW  
Washington, DC 20001 - 0800

**Name of contributor's employer**

NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 400000

Amount of contribution  
\$ 100000  
Date of contribution  
05/30/2008

13044333659

Contributor's name, mailing address and ZIP code  
Bard, Nikita  
558 Massachusetts Avenue NW  
Washington, DC 20001 - 0020

Name of contributor's employer  
Electronic Information  
Contributor's occupation  
Consultant  
Aggregate contributions year-to-date  
\$ 500

Amount of contribution  
\$ 500  
Date of contribution  
04/30/2008

Contributor's name, mailing address and ZIP code  
Bricklayers & Allied Craftworkers PAC  
620 F Street NW  
Washington, DC 20004 - 0004

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 25000  
Date of contribution  
04/29/2008

Contributor's name, mailing address and ZIP code  
Bricklayers & Allied Craftworkers PAC  
620 F Street NW  
Washington, DC 20004 - 0004

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 25000  
Date of contribution  
05/14/2008

Contributor's name, mailing address and ZIP code  
Bronfman, Edgar M.  
375 Park Avenue  
New York, NY 10151 - 0000

Name of contributor's employer  
Bronfman Associates  
Contributor's occupation  
Principal  
Aggregate contributions year-to-date  
\$ 5000

Amount of contribution  
\$ 5000  
Date of contribution  
04/17/2008

Contributor's name, mailing address and ZIP code  
Fox, Michael E.  
14751 Quito Road  
Saratoga, CA 95070 - 0000

Name of contributor's employer  
M.E.Fox & Company  
Contributor's occupation  
Executive  
Aggregate contributions year-to-date  
\$ 5000

Amount of contribution  
\$ 5000  
Date of contribution  
04/16/2008

Contributor's name, mailing address and ZIP code  
Int Alliance of Theatrical Stage Employees  
1430 Broadway 20th FL  
New York, NY 10018 - 0000

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 100000

Amount of contribution  
\$ 100000  
Date of contribution  
05/05/2008

Contributor's name, mailing address and ZIP code  
Intl Union of Painters Organization  
1750 New York Avenue NW  
Washington, DC 20006 - 0000

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 250000

Amount of contribution  
\$ 250000  
Date of contribution  
04/29/2008

Contributor's name, mailing address and ZIP code  
Kennedy, Stephen  
233 Illinois Place  
Glenwood Springs, CO 81601 - 0000

Name of contributor's employer  
Kennedy Construction Ltd  
Contributor's occupation  
Owner  
Aggregate contributions year-to-date  
\$ 0

Amount of contribution  
\$ -50000  
Date of contribution  
05/30/2008

Contributor's name, mailing address and ZIP code  
Machinists Non-Partisan Political League  
9000 Machinist Place  
Upper Meriboro, MD 80772 - 8088

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 50000  
Date of contribution  
06/03/2008

Contributor's name, mailing address and ZIP code  
Miller, Holly  
1740 Broadway  
San Francisco, CA 94109 - 0000

Name of contributor's employer  
Self-employed (none)  
Contributor's occupation  
Investor  
Aggregate contributions year-to-date  
\$ 1000

Amount of contribution  
\$ 1000  
Date of contribution  
04/24/2008

13044333660

Contributor's name, mailing address and ZIP code  
Office & Professional Employees Intl Union CIO/BAU  
1660 L Street NW Suite 801  
Washington, DC 20036 - 0000

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 50000  
Date of contribution  
04/18/2008

Contributor's name, mailing address and ZIP code  
Sheet Metal Workers Intl Association  
1750 New York Avenue NW  
Washington, DC 20006 - 0000

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 150000

Amount of contribution  
\$ 100000  
Date of contribution  
04/25/2008

Contributor's name, mailing address and ZIP code  
Sheet Metal Workers Intl Association  
1750 New York Avenue NW  
Washington, DC 20006 - 0000

Name of contributor's employer  
N/A  
Contributor's occupation  
N/A  
Aggregate contributions year-to-date  
\$ 150000

Amount of contribution  
\$ 50000  
Date of contribution  
05/16/2008

Contributor's name, mailing address and ZIP code  
Kennedy, Stephen  
233 Home Place  
Glenwood Springs, CO 81601 - 0000

Name of contributor's employer  
Kennedy Construction Ltd  
Contributor's occupation  
Owner  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 25000  
Date of contribution  
04/14/2008

1304433661

**Schedule B** Itemized Expenditures**Schedule B**

## Recipient's name, mailing address and ZIP code

Rerncho, Johanson & Purocell LLP  
201 Dolores Avenue  
San Leandro, CA 94577 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 63143  
Date of expenditure  
04/02/2008

Purpose of expenditure  
Legal fees

## Recipient's name, mailing address and ZIP code

Warren & Associates LLC  
2261 Market Street PMB 319  
San Francisco, CA 94114 - 1600

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 1358  
Date of expenditure  
04/02/2008

Purpose of expenditure  
Accounting

## Recipient's name, mailing address and ZIP code

Lisa Cabanel Consulting  
1604 Pawn lane  
Huntington Valley, PA 19006 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 228000  
Date of expenditure  
04/07/2008

Purpose of expenditure  
TV buy

## Recipient's name, mailing address and ZIP code

Blackwell Associates LLC  
1936 University Avenue Suite 191  
Berkeley, CA 94704 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 7500  
Date of expenditure  
04/17/2008

Purpose of expenditure  
Website design & maintenance

## Recipient's name, mailing address and ZIP code

Lisa Cabanel Consulting  
1604 Pawn lane  
Huntington Valley, PA 19006 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 197365  
Date of expenditure  
04/17/2008

Purpose of expenditure  
TV buy

## Recipient's name, mailing address and ZIP code

Kinsey, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

## Name of recipient's employer

California Strategies LLC  
Recipient's occupation  
Consultant

## Amount of Expenditure

\$ 5000  
Date of expenditure  
04/21/2008

Purpose of expenditure  
Campaign Consultant

## Recipient's name, mailing address and ZIP code

Warren & Associates LLC  
2261 Market Street PMB 319  
San Francisco, CA 94114 - 1600

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 5229  
Date of expenditure  
04/23/2008

Purpose of expenditure  
Accounting

## Recipient's name, mailing address and ZIP code

Lisa Cabanel Consulting  
1604 Pawn lane  
Huntington Valley, PA 19006 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 210000  
Date of expenditure  
04/25/2008

Purpose of expenditure  
TV buy

## Recipient's name, mailing address and ZIP code

Acosta Salazar LLC  
1085 12th Street Suite A  
Sacramento, CA 95814 - 0000

## Name of recipient's employer

N/A  
Recipient's occupation  
N/A

## Amount of Expenditure

\$ 10000  
Date of expenditure  
04/28/2008

Purpose of expenditure  
Campaign Consultant

13044333662

13044333663

Recipient's name, mailing address and ZIP code  
 Kinney, Jason  
 CO California Strategies LLC 980 9th Street Suite 2000  
 Sacramento, CA 95814 - 0000

Name of recipient's employer  
 California Strategies LLC  
 Recipient's occupation  
 Consultant

Amount of Expenditure  
 \$ 5000  
 Date of expenditure  
 04/28/2008

Purpose of expenditure  
 Campaign Consultant

Recipient's name, mailing address and ZIP code  
 Lisa Cabanel Consulting  
 1604 Fawn lane  
 Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 250000  
 Date of expenditure  
 04/28/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Stevens Champet Howell Inc.  
 535 W Wayne Street  
 Fort Wayne, IN 46802 - 2123

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 150000  
 Date of expenditure  
 04/28/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Lisa Cabanel Consulting  
 1604 Fawn lane  
 Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 220000  
 Date of expenditure  
 04/30/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Lisa Cabanel Consulting  
 1604 Fawn lane  
 Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 148000  
 Date of expenditure  
 05/01/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Lisa Cabanel Consulting  
 1604 Fawn lane  
 Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 52000  
 Date of expenditure  
 05/05/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Kinney, Jason  
 CO California Strategies LLC 980 9th Street Suite 2000  
 Sacramento, CA 95814 - 0000

Name of recipient's employer  
 California Strategies LLC  
 Recipient's occupation  
 Consultant

Amount of Expenditure  
 \$ 5000  
 Date of expenditure  
 05/08/2008

Purpose of expenditure  
 Campaign Consultant

Recipient's name, mailing address and ZIP code  
 Lisa Cabanel Consulting  
 1604 Fawn lane  
 Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 26500  
 Date of expenditure  
 05/08/2008

Purpose of expenditure  
 TV buy

Recipient's name, mailing address and ZIP code  
 Warren & Associates LLC  
 2261 Market Street PMB 319  
 San Francisco, CA 94114 - 1600

Name of recipient's employer  
 N/A  
 Recipient's occupation  
 N/A

Amount of Expenditure  
 \$ 4429  
 Date of expenditure  
 05/08/2008

Purpose of expenditure  
 Accounting

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Fawn lane  
Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 300000  
Date of expenditure  
05/14/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Acosta Salazar LLC  
1085 12th Street Suite A  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 10000  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Remcho, Johansen & Purcell LLP  
201 Dolores Avenue  
San Leandro, CA 94577 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 11767  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Legal fees

Recipient's name, mailing address and ZIP code  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
05/22/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Fawn lane  
Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 300000  
Date of expenditure  
05/22/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Fawn lane  
Huntington Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 30000  
Date of expenditure  
05/23/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Warren & Associates LLC  
2261 Market Street PMB 319  
San Francisco, CA 94114 - 1600

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 1929  
Date of expenditure  
05/23/2008

Purpose of expenditure  
Accounting

Recipient's name, mailing address and ZIP code  
Adelman Liston  
222 West Ontario Street Ste 800  
Chicago, IL 60610 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 150000  
Date of expenditure  
05/26/2008

Purpose of expenditure  
TV buy

13044333664

<b>Recipient's name, mailing address and ZIP code</b> Kinney, Jason CO California Strategies LLC 980 9th Street Suite 2000 Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> California Strategies LLC Recipient's occupation Consultant	<b>Amount of Expenditure</b> \$ 10000 <b>Date of expenditure</b> 05/28/2008
<b>Purpose of expenditure</b> Campaign Consultant		
<b>Recipient's name, mailing address and ZIP code</b> Kennedy, Stephen 233 Home Place Glenwood Springs, CO 81601 - 0000	<b>Name of recipient's employer</b> Kennedy Construction Ltd Recipient's occupation Owner	<b>Amount of Expenditure</b> \$ 50000 <b>Date of expenditure</b> 05/30/2008
<b>Purpose of expenditure</b> Contribution refund		
<b>Recipient's name, mailing address and ZIP code</b> Lisa Cabanel Consulting 1604 Fawn lane Huntingdon Valley, PA 19008 - 0000	<b>Name of recipient's employer</b> N/A Recipient's occupation N/A	<b>Amount of Expenditure</b> \$ 25000 <b>Date of expenditure</b> 06/02/2008
<b>Purpose of expenditure</b> TV buy		
<b>Recipient's name, mailing address and ZIP code</b> Kinney, Jason CO California Strategies LLC 980 9th Street Suite 2000 Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> California Strategies LLC Recipient's occupation Consultant	<b>Amount of Expenditure</b> \$ 5000 <b>Date of expenditure</b> 06/03/2008
<b>Purpose of expenditure</b> Campaign Consultant		
<b>Recipient's name, mailing address and ZIP code</b> Wagner & Associates LLC 2261 Market Street PMB 319 San Francisco, CA 94114 - 1600	<b>Name of recipient's employer</b> N/A Recipient's occupation N/A	<b>Amount of Expenditure</b> \$ 2535 <b>Date of expenditure</b> 06/05/2008
<b>Purpose of expenditure</b> Accounting		
<b>Recipient's name, mailing address and ZIP code</b> Adelman Linton 222 West Ontario Street Ste 600 Chicago, IL 60610 - 0000	<b>Name of recipient's employer</b> N/A Recipient's occupation N/A	<b>Amount of Expenditure</b> \$ 15000 <b>Date of expenditure</b> 06/06/2008
<b>Purpose of expenditure</b> TV buy		
<b>Recipient's name, mailing address and ZIP code</b> Kinney, Jason CO California Strategies LLC 980 9th Street Suite 2000 Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> California Strategies LLC Recipient's occupation Consultant	<b>Amount of Expenditure</b> \$ 10000 <b>Date of expenditure</b> 06/18/2008
<b>Purpose of expenditure</b> Website design & maintenance		
<b>Recipient's name, mailing address and ZIP code</b> Kinney, Jason CO California Strategies LLC 980 9th Street Suite 2000 Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> California Strategies LLC Recipient's occupation Consultant	<b>Amount of Expenditure</b> \$ 5800 <b>Date of expenditure</b> 06/23/2008
<b>Purpose of expenditure</b> Website design & maintenance		
<b>Recipient's name, mailing address and ZIP code</b> Rambo, Johansen & Purcell LLP 201 Dolores Avenue San Leandro, CA 94577 - 0000	<b>Name of recipient's employer</b> N/A Recipient's occupation N/A	<b>Amount of Expenditure</b> \$ 29676 <b>Date of expenditure</b> 06/25/2008
<b>Purpose of expenditure</b> Legal fees		



Recipient's name, mailing address and ZIP code  
Aggregate Expense Under \$500  
2261 Market Street Pk4B 319  
San Francisco, CA 94114 - 1400

Name of recipient's employer  
NA  
Recipient's occupation  
NA

Amount of Expenditure  
\$476  
Date of expenditure  
06/30/2008

Purpose of expenditure  
Bank fees & Activus fees

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13044333666

13044333667

# EXHIBIT S

The Associated Press

April 28, 2008 Monday 9:11 PM GMT

## Pro-Clinton group airing ad in Indiana

**BYLINE:** By JIM KUHNHENN, Associated Press Writer

**SECTION:** POLITICAL NEWS

**LENGTH:** 348 words

**DATELINE:** WASHINGTON

A political advocacy group consisting of backers of Sen. Hillary Rodham Clinton's presidential campaign was to begin spending at least \$700,000 Tuesday in an Indiana advertising blitz calling on Sen. Barack Obama to address the economic plight of Americans.

The Indiana ad campaign would be the biggest single expenditure in a state for the mostly union financed group, called the American Leadership Project. The group spent more than \$1 million running ads in Texas, Ohio and Pennsylvania.

"Indiana has been ground zero for economic anxiety since 2001," said Jason Kinney, an Indiana native and one of the organizers of the American Leadership Project.

The ad quotes commentators who describe Obama's economic plan as deficient. The ad campaign could come at a crucial time for Clinton. The Democratic presidential race in Indiana is a dead heat, according to public opinion polls. Obama, the better-financed candidate, has been spending more than Clinton in the state.

As of its last filing with the Federal Election Commission, the group had raised \$1.5 million, almost all of it from the American Federation of State, County and Municipal Employees, a union that has endorsed Clinton.

The group is a so-called 527 organization, named after the section of the tax code that governs their activities. Such groups, unlike candidates and political action committees, can raise unlimited amounts of money from unions, individuals and corporations.

But the law prohibits them from coordinating their work with political campaigns. They also are barred from explicitly advocating the election or defeat of a candidate. But they are permitted to support or oppose issues and the candidates that candidates take on those issues.

Before the Ohio and Texas primaries, the American Leadership Project ran an ad supporting Clinton's economic policies. The ad did not mention Obama, but alluded to him with an announcer saying: "If speeches could create jobs, we wouldn't be facing a recession."

The ad campaign became more pointed in Pennsylvania, claiming Obama's health care plan would leave millions uninsured.

**LOAD-DATE:** April 29, 2008

**LANGUAGE:** ENGLISH

**PUBLICATION-TYPE:** Newswire

**EXHIBIT S**

13044333669

# EXHIBIT T

Associated Press Online

June 1, 2008 Sunday 5:46 PM GMT

## Clinton looks for victory in Puerto Rico primary

BYLINE: By JIM KUHNHENN, Associated Press Writer

SECTION: POLITICAL NEWS

LENGTH: 1131 words

DATELINE: SAN JUAN Puerto Rico

Hillary Rodham Clinton campaigned for a largely symbolic victory Sunday in Puerto Rico's presidential primary, the final act in a weekend of tumult that brought Barack Obama tantalizingly close to the Democratic presidential nomination.

"We're going to win big here today," Clinton's campaign chairman Terry McAuliffe predicted as Puerto Ricans cast ballots in a race with 55 delegates at stake.

Obama's aides countered that even so, the 46-year-old Illinois senator would amass the 2,118 delegates needed to claim the nomination within days. "We hope this week, absolutely," said spokesman Robert Gibbs. Montana and South Dakota held primaries on Tuesday, the last of the primary campaign season.

Gibbs' confidence reflected the outcome of Saturday's meeting of the Democratic Party's rules and bylaws committee. Before an audience that jeered and cheered by turns, the panel voted to seat disputed delegations from Michigan and Florida, but give each delegate only one-half vote rather than the full vote sought by the Clinton campaign.

While the decision narrowed the gap between Clinton and Obama, it also erased the former first lady's last, best chance to change the course of the campaign and left her rival only 64 delegates shy of the nomination.

A telephone poll of likely Puerto Rican voters taken in the days leading up to the primary suggested an electorate sympathetic to Clinton heavily Hispanic, as well as lower income and more than 50 percent female. About one-half also described themselves as conservative.

Nearly three-quarters of all those interviewed said they had a favorable view of Clinton, compared to 53 percent for Obama. One-third said they didn't know enough about Obama to form an impression.

THIS IS A BREAKING NEWS UPDATE. Check back soon for further information. AP's earlier story is below.

SAN JUAN, Puerto Rico (AP) Hillary Rodham Clinton campaigned for victory Sunday in Puerto Rico's presidential primary, about a hollow one as Barack Obama's advisers confidently predicted he'd have the Democratic presidential nomination in hand as early as this week.

A party committee voted a day earlier to give each Michigan and Florida delegate a half vote at the national convention. The compromise did no harm to Obama's near lock on the nomination, but prompted new threats

from Clinton's camp to carry the fight to the August convention.

The deal by the party's Rules Committee left Obama 64 delegates short of the 2,118 need for the nomination. Sunday's election here and the final primaries Tuesday in Montana and South Dakota will narrow the gap, meaning Obama could secure the nomination this week.

"If not Tuesday, I think it will be fairly soon," Obama spokesman Robert Gibbs said on national television Sunday.

Gibbs also did not rule out the possibility that Obama will seat the Michigan and Florida delegations at full strength if he is the nominee.

"I think any nominee may make some decisions at some point regarding those delegations," he said on ABC's "This Week."

Clinton's campaign objected to the compromise on Michigan's delegates because it gave the former first lady four fewer delegates than aides had maintained she was entitled to, prompting new threats to take the fight to the August convention. She trails Obama by more than 170 delegates.

"She will be consulting with people and she will be making the decision later on," said adviser Harold Ickes, a member of the committee that voted Saturday. He hinted that the 2,118 delegates needed for the nomination may grow.

"But in our view, the final number for the nomination will not be fixed until Michigan is ultimately resolved, but that will depend on what Mrs. Clinton decides to do," Ickes said on CNN's "Late Edition."

As voting got under way Sunday, some polling places in the capital of San Juan were busy soon after they opened while others were idle. More than 20 schools serving as polling sites opened late because janitors were protesting late-arriving paychecks, the Department of Education said.

Angel Barrios, who was among two dozen people who voted in the first five minutes at a school basketball court, said he's known for months that he would vote for Clinton.

"She has the kind of help that the other one doesn't have her husband. He is a good adviser," Barrios said.

One woman who said she voted for Obama refused to give her name, fearing her pro-Clinton friends would shun her if they knew.

"He's refreshing because he's not dragging everything from previous administrations," she said. "He has an energy that we need."

Clinton also got an early start, chatting up customers, posing for photos and signing posters during a visit to Kasalta Bakery in San Juan.

On Saturday, she spent hours on the back of a pickup truck in a salsa-blasting, 40-vehicle caravan through the capital outskirts. In a sign that her supporters were unwilling to give up, an outside group financed by her labor backers bought \$150,000 worth of television ads on the island promoting her views.

The group, the American Leadership Project, also was spending \$300,000 on ads in Tuesday's primary states of Montana and South Dakota, states where Obama is deemed the favorite. Clinton planned to campaign in South Dakota on Monday.

Saturday's party meeting did bolster one of Clinton's key arguments for staying in the fight. In seating the Michigan and Florida delegates, party leaders tacitly acknowledged her popular vote dominance in those states. Both states were punished by the DNC for moving their contests in violation of party rules and the party had refused to recognize the votes. The candidates did not campaign in either state and Obama withdrew his name from the Michigan ballot.

Clinton's campaign now says she has won the most votes since the contest began in January, a debatable claim for a number of reasons, including the fact that she ran virtually unopposed in Michigan and vote totals from several caucus states cannot be calculated.

Her campaign chairman, Terry McAuliffe, was quick to note that during his appearance on ABC.

"Well clearly, it ultimately comes down to the delegates. But I think it's very important to note that Hillary Clinton will have received more votes than anyone ever running for president on either side in primary battle," said McAuliffe, who was with Clinton in Puerto Rico.

While polls show her ahead, island officials don't expect an exceptionally large turnout. That means Clinton might not get the huge influx of popular votes she is counting on.

McAuliffe said Clinton would not consider leaving the race until someone gets 2,118 delegates.

"We think we are going to get that number. But we're going to make our argument right up until someone has that number," he said.

Associated Press writer Danica Coto in San Juan, Puerto Rico, contributed to this report.

**LOAD-DATE:** June 2, 2008

**LANGUAGE:** ENGLISH

**PUBLICATION-TYPE:** Newswire

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